JPRS-SEA-86-221
19 DECEMBER 1986

Southeast Asia Report

FBIS FOREIGN BROADCAST INFORMATION SERVICE

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

JPRS-SEA-86-221

19 DECEMBER 1986

SOUTHEAST ASIA REPORT

CONTENTS

INTER-ASIAN AFFAIRS

ASEAN Leaders Seek Japanese Economic Aid
(Gaspar Balthazar; PHILIPPINE DAILY INQUIRER, 17 Nov 86) . 1

INDONESIA

Bulgaria Intends To Promote Economic Cooperation
(ANTARA NEWS BULLETIN, 23 Nov 86) 3

FRG To Continue Financial, Technical Aid
(ANTARA NEWS BULLETIN, 20 Nov 86) 5

LNG Agreement Reached With Taiwan
(BUSINESS NEWS, 19 Nov 86) 6

Envoy Criticizes Australian Journalists
(ANTARA NEWS BULLETIN, 18 Nov 86) 8

Briefs
Oil Production Sharing Contract Signed 9
ADB Loan for Irrigation 9
ADB Aid for Timber Estates 9
New Zealand Offers CNG Technology 10
MP Group Timor Visit Rejected 10

PHILIPPINES

Defense Chief on Army Role After Cease-Fire
(Manila Radio Veritas, 27 Nov 86) 11

Daily Lands Ileto, Ramos; Urges AFP Revamp
(Petronilo Bn. Daroy; THE MANILA CHRONICLE, 27 Nov 86) ... 12

Valencia on Enrile Departure From Cabinet
(Teodoro F. Valencia; THE NEW DAILY PHILIPPINES
EXPRESS, 26 Nov 86) 14

MALAYA Stressed Need To Make Truce Pact Work
(Editorial; ANG PAHAYAGANG MALAYA, 27 Nov 86) 15

Editorial Assails Bosworth Ambassadorship
THE MANILA EVENING POST, 2 Dec 86) 17

Pimentel on UNIDO, KBL Charges on Enrile Ouster
(Radyo ng Bayan, 26 Nov 86) 18

Official Says Tribesmen Infiltrated by Communists
(Vilma Flauta; THE DAILY SAN PEDRO EXPRESS, 13 Nov 86) .. 19

NDF 'Ready To Fight' if Cease-Fire Fails
(Radio Veritas, 27 Nov 86) 20

Groups Urge Retention of Cabinet Ministers
(PHILIPPINE DAILY INQUIRER, 26 Nov 86) 21

Enrile, Ramos, 48 Others Said on 'Hit List'
(THE NEW PHILIPPINES DAILY EXPRESS, 26 Nov 86) 23

Misuari Assures Canoy on Christians in Mindanao
(Roy de Guzman; PHILIPPINE DAILY INQUIRER, 27 Nov 86) ... 24

Muslim Faction Denounces Enrile Ouster
(THE MANILA EVENING POST, 2 Dec 86) 26

Columnist Warns of Further Coup Attempts
(Ninez Cacho-Olivares; BUSINESS DAY, 26 Nov 86) 28

Deputy Foreign Minister on 'Strengthening Ties' With USSR
(ANG PAHAYAGANG MALAYA, 7 Nov 86) 30

Columnist Decries Constitutional Commission Lobbying
(Jesus Bigornia; MANILA BULLETIN, 7 Nov 86) 31

TFDP Claims 127 'Political Arrests' Under Aquino
(MANILA BULLETIN, 15 Nov 86) 33

Daza Assures 'Continued Loyalty' to Aquino
(Rene C. Alviar; MANILA BULLETIN, 15 Nov 86) 34

Lawyers Guild Urges Aquino To Exercise Authority
(Rod L. Villa; MANILA BULLETIN, 16 Nov 86) 35

Labor Ministry Reports Decrease in Strikes
(Olaf S. Giron; MANILA BULLETIN, 17 Nov 86) 36

Bigornia Analyzes 'Tentative' Political Alignments
(Jesus Bigornia; MANILA BULLETIN, 17 Nov 86) 37

Ministry, Opposition Party Differ Over U.S. Election
(Marlen Ronquillo; PHILIPPINE DAILY INQUIRER, 7 Nov 86) . 38

INQUIRER 'Comforted' by Democratic Gains in U.S. Senate
(Editorial; PHILIPPINE DAILY INQUIRER, 7 Nov 86) 39

PCGG Lacks Evidence in Enrile Probe
(Jerry Esplanada; PHILIPPINE DAILY INQUIRER, 7 Nov 86) ... 41

Columnist Urges Establishment to Understand CPP Concerns
(David Sycip; PHILIPPINE DAILY INQUIRER, 7 Nov 86) 43

Tokyo Aid Flow Inhibits Hidden Wealth Probe
(Luis D. Beltran; PHILIPPINE DAILY INQUIRER, 16 Nov 86) .. 45

Aquino Urges Barangay Captains To Support Constitution
(Nick Gumabay, Ike Arevalo; PHILIPPINE DAILY INQUIRER,
18 Nov 86) 46

Columnist Questions U.S. Attitudes to NDF
(Francisco S. Tatad; BUSINESS DAY, 3 Dec 86) 47

Opposition Columnist Complains of Gun-Toting Rebels
(Orlando F. Aquino; MANILA BULLETIN, 2 Dec 86) 49

Japanese Kidnapped 4 December Rescued by Police
(AFP, 4 Dec 86) 50

NDF Negotiators Rent Out Press Club Office
(THE MANILA CHRONICLE, 3 Dec 86) 51

Government Handling of Non-Combatants Viewed
(Editorial; MANILA BULLETIN, 3 Dec 86) 52

Survey: Almost 33 Percent of Manila Middle Class Favor NPA
(E. T. Suarez; MANILA BULLETIN, 2 Dec 86) 53

Columnist Reveals 'Reform NPA' Movement
(Arlene Babst-Vokay; THE MANILA CHRONICLE, 2 Dec 86) 55

NDF-Panay Demands Dismantling of Private Armies
(ANG PAHAYAGANG MALAYA, 2 Dec 86) 57

South Cotabato Unido, PDP-Laban Officials Join Lakas
(MANILA BULLETIN, 7 Nov 86) 59

CPP's Salas Discusses Mindanao NPA Killings
(Sonny Lopez; ANG PAHAYAGANG MALAYA, 18 Nov 86) 60

Paper Says Military Stronger Since Coup
(Luis Teodoro; THE MANILA CHRONICLE, 2 Dec 86) 61

Cordillera Group Questions Balweg Credibility
(Carmel M. Pizarro; BUSINESS DAY, 1 Dec 86) 62

Meeting Between Government, Cordillera Groups Summarized
(Paulynn Sicam; THE MANILA CHRONICLE, 3 Dec 86) 64

Aquino Calls for 'Infusion' of Foreign Investment
(KYODO, 1 Dec 86) 67

Minister Explains 1987 Budget Expenditure
(BUSINESS DAY, 3 Dec 86) 68

Labor Ministry Figures Show Strikes Up 55 Percent
(Cethsemane M. Selirio; BUSINESS DAY, 1 Dec 86) 70

Aquino Raises Import Duties on Various Items
(BUSINESS DAY, 2 Dec 86) 72

$6 Billion Export Income Projected for 1987
(Marianne V. Go; THE MANILA JOURNAL, 3 Dec 86) 74

Agriculture, Service Sector Post 3d Quarter Growth
(Daniel C. Yu; BUSINESS DAY, 2 Dec 86) 76

Job Creation Scheme 'Way Behind Schedule'
(AFP, 2 Dec 86) 79

Editorial Welcomes Confidence Exuded by U.S. Trade Mission
(PHILIPPINE DAILY INQUIRER, 19 Nov 86) 80

Ongpin Discusses Debt Talks Breakdown
(BUSINESS DAY, 17 Nov 86) 82

MALAYA Hits Orders To Halt Probe Into Japanese Kickbacks
(Editorial; ANG PAHAYAGANG MALAYA, 19 Nov 86) 83

Customs Probes Misamis Oriental Arms Shipments
(BUSINESS DAY, 26 Nov 86) 84

3d Quarter Budget Deficit at 20.3 Billion Pesos
(BUSINESS DAY, 27 Nov 86) 85

Briefs
Buscayno Visits Ileto 87
Ileto Supports Ceasefire 87
Ramos Supports Cease-Fire 87
Top NPA Leader' Slain 88
CPP Says 60-Day Cease-Fire 'Too Short' 88
Pampanga NPA Network 88
Oil Board Appointment 88
Non-NPA 'Terrorists' Active in Ifugao 88
Adaza Criticizes New Draft Constitution 88
Gunbattle Between Muslim Families 89
Negotiations With MNLF 89
Ongpin Threatens Credit Banks 89

Coalition With NDF 'Unacceptable' 90
Chico Dam Project Cancelled 90
Armored Vehicles Redeployed 90
Muslim Decries Enrile Ouster 91
Negros 'Peace Pilgrimage' 91
'Fascist Forces' in Military Protested 91

THAILAND

SIAM RAT on LPRP Congress, Upcoming Talks
(Editorial; SIAM RAT, 17 Nov 86) 92

Daily Says Government Lacks Long-Term Plans
(Editorial; MATICHON, 21 Nov 86) 94

Central Bank Reports Payments Surplus
(Bangkok Television Service, 25 Nov 86) 96

Daily Views Need for Domestic Unemployment Programs
(Editorial; THAI RAT, 21 Nov 86) 97

Foreign Ministry Official on Hill 538 Controversy
(Voice of Free Asia, 21 Nov 86) 98

Region Commander Promises To Repel 'Intruders'
(THAI RAT, 22 Nov 86) 99

VOFA Lists SRV Violations of Thai Border
(Voice of Free Asia, 21 Nov 86) 100

Air Force Secretary Reports Oct-Nov Radar Findings
(Bangkok Domestic Service, 23 Nov 86) 101

Briefs
Outgoing Australian Ambassador 102
New Nepalese Ambassador 102
New Deputy Interior Minister 102
PRC Light Industry Minister 102
PRC To Buy Rice, Beans 102
Comoros To Purchase Rice 103

VIETNAM

INTERNATIONAL RELATIONS, TRADE, AND FINANCE

Conference on Vietnam-Laos Border Provinces Held
(Hanoi Domestic Service, 25 Nov 86) 104

Pham Van Dong Greets 12th WFDY Congress
(Hanoi Domestic Service, 23 Nov 86) 105

NHAN DAN Editorial on Production of Exports
(Hanoi Domestic Service, 27 Nov 86) 106

PARTY ACTIVITIES AND GOVERNMENT

Briefs
Decision Signed Honoring Emulators 109

ECONOMIC PLANNING, TRADE, AND FINANCE

Defense Ministry Holds Economic Conference
(Hanoi Domestic Service, 24 Nov 86) 110

Grain Control Policy Implemented in 6 Provinces
(Hanoi Domestic Service, 18 Nov 86) 111

Briefs
Thai Binh Economic Zones 113
Ha Son Binh Resettlers 113
Polish Delegation Visits 113
Philippine Civil Aviation Delegation 113

AGRICULTURE

Agricultural Activities Review for 10-Day Period
(Hanoi Domestic Service, 20 Nov 86) 114

/7310

ASEAN LEADERS SEEK JAPANESE ECONOMIC AID

Manila PHILIPPINE DAILY INQUIRER in English 17 Nov 86 p 7

[Commentary by Gaspar Balthazar: "Japan Spreads Its Economic Wings"]

[Text]

JAPAN is gradually spreading its economic wings over pivotal Southeast Asia, according to ASEAN diplomats based in Manila.

Within weeks, they observe, leaders from ASEAN countries have gone to Tokyo on urgent economic missions, the last one being Philippine President Corazon C. Aquino.

At this writing, Japanese Prime Minister Yasuhiro Nakasone has pledged an aid package of $872 million to the Philippines for that country's economic recovery program. The Japanese leader said, "Japan would not spare its support to the Aquino government."

Prime Minister Nakasone announced the aid package after a wide-ranging talk with President Aquino, who was in Japan for a four-day state visit.

The Aquino visit was preceded by those of the Thai foreign minister, the prime minister of Singapore, and the prime minister of Malaysia. Like President Aquino, the other visitors addressed strong appeals to the Japanese government and Japanese businessmen for aid and investments, respectively.

The visit of the Thai foreign minister drew attention to the measures that his government had taken to improve the investment climate in Thailand. Envisaged in such measures are tax incentives and broader, foreign participation in capital formation.

Prime Minister Lee Kuan Yew, of Singapore, told his hosts that ASEAN countries were placing reliance on continued Japanese growth and progress for help in priming their economies.

Malaysian Prime Minister Mahathir Bin Mohammad urged Japanese officials to consider the conversion of a part of his country's debt to Japan into equity in Malaysian business and industry. He explained that the dramatic appreciation of the Japanese yen was making it difficult for Malaysia to repay its yen loans.

With the lone exception of Singapore, the member nations of ASEAN have been suffering

from depressed prices for their export products. ASEAN is composed of the Philippines, Singapore, Indonesia, Malaysia, Thailand, and Brunei. Most of the member countries have over the years borrowed heavily from Japan.

An ASEAN ambassador, commenting on the increasing economic influence of Japan in Southeast Asia, said, "We in the region have to rely on the United States and Japan for economic and technical assistance. In the perspective of ASEAN interest, the two economic powers complement each other."

A Filipino political leader, speaking on guarantee of anonymity, commented, "It is ironic that the economic power Japan sought in Southeast Asia during World War II is now within its reach, with no country in the region voicing any objection or protest."

Some Japanese economists have suggested that Japan launch a "Marshall Plan" for Southeast Asia. Due to political, diplomatic, and psychological considerations which pose possible difficulties for such an undertaking, Japanese leaders have not reacted warmly to the idea of a Japanese-sponsored "Marshall Plan." With ASEAN countries increasingly turning to Japan for economic and technical assistance, the climate for such an ambitious regional development program may well improve.

Significantly, Japanese development aid to the Philippines, Malaysia, Indonesia, and Thailand in 1985 amounted to $1.6 billion.

Judged by that figure, the aid committed to President Aquino by Prime Minister Nakasone is markedly massive.

Japan shares with ASEAN a community of security and economic interests. Both place great store by US military presence in the region. And ASEAN is one of the most important markets of Japan.

In the meantime, ASEAN governments are stepping up their efforts to gain more access to the Japanese market, which remains inward-looking despite the continued growth of Japan's global trade.

At any rate, the years ahead will see a speedy growth of Japanese economic influence in Southeast Asia, one of the most strategic areas in the free world. *INTERCO PRESS*

/9274
CSO: 4200/186

BULGARIA INTENDS TO PROMOTE ECONOMIC COOPERATION

Jakarta ANTARA NEWS BULLETIN in English 23 Nov 86 pp A1, A2

[Text] Jakarta, 22 Nov (ANTARA)--Bulgaria intends to step up economic and trade cooperation with Indonesia and make investment in the industrial sector in this country.

Soy Martua Pardede, coordinator of Indonesia-Bulgaria bilateral relations, disclosed here today that Bulgaria was interested in investing capital in the machine-tool industry which would provide products for domestic as well as overseas markets.

The intention to promote economic and trade cooperation and making investment in Indonesia has been stated during the visit of the Bulgarian Chamber of Commerce and Industry to this country from November 17 through 23.

He pointed out that Bulgarian-made machine-tools had entered ASEAN markets, but the average price was 20 percent higher than those from Taiwan and China.

In connection with the proposal for the establishment of joint ventures in the machine-tool industry, the Bulgarian has stated its willingness to help Indonesia seek markets for the products in the Far-East.

Bulgaria has helped Nigeria develop the machine-tool industry by giving assistance for the establishment of 3,000 units of workshops in that African country and the assistance will be returned in the form of crude oil.

For the supply of capital goods, Bulgaria is prepared to implement the counter-purchase system, the head of the Bulgarian CCI mission, Peter Roussev, said while here.

He also offered the investment of Bulgarian capital in the manufacture of automotive components, including the aluminium die casting industry. In view of the availability of abundant aluminium basic materials in Indonesia.

In the development of technology in the industrial sector in Indonesia, Bulgaria is prepared to transfer technology to Indonesia and give licences to an Indonesian company, P. T. Barata, for the manufacture of cement grading balls, Pardede said.

Trade Sector

In the trade sector, Bulgaria is interested in increasing the purchase of Indonesian commodities, particularly coffee, rubber and pepper.

To promote bilateral cooperation in economic, trade and investment fields with that East European country, Indonesia has sent a trade mission headed by Minister of Trade Rachmat Saleh.

Consisting of 40 Indonesian businessmen, the Indonesian trade mission left here for Bulgaria on Friday.

While here, the Bulgarian CCI mission has held talks with executives of the Indonesian Chamber of Commerce and Industry (kadin) and paid courtesy calls on Minister of Trade Rachmat Saleh, Minister of Industry Hartarto and Minister of Economic, Financial and Industrial Affairs Ali Wardhana.

/9274
CSO: 4200/190a

FRG TO CONTINUE FINANCIAL, TECHNICAL AID

Jakarta ANTARA NEWS BULLETIN in English 20 Nov 86 p A8

[Text]

Jakarta, Nov. 20 (ANTARA) - The Federal Republic of Germany and Indonesia have agreed to continue their close and intensive financial and technical cooperation to support the Indonesian development program mainly in the sectors of energy, transport and communication, rural development, vocational training, health services and industrial development.

The summary record of negotiations held here between both countries was signed here Thursday by Anton Zahn, Head of the German delegation who is concurrently Director General for Foreign Economic Cooperation at the Federal Ministry for Economic Cooperation, and Rusli Noor, Director General for Economic Relations of Indonesia's Foreign Ministry.

West Germany, in line with the presidential instruction No. 8 of 1984, is prepared to make available 200 million Deutsch Marks (Rp 161,200,000,000) as long-term soft loans in 1985/1986 and 1986/1987 at an interest rate of 2 per cent per annum for projects in the sectors of enery, transport and communication, fishery research, health care and technical equipment for universities.

Aside from the soft loans, the Federal Republic of Germany provided 33 million DM (Rp 26,598,000,000) in 1986 as grants for bilateral technical cooperation projects focusing on integrated area development as well as the promotion of the indsutrial sectors in Indonesia.

In addition to these amounts, the West German Government has also made available this year the following grants: 4.1 million DM (Rp 3,304,000,000) for the scholarship program, 12 million DM (Rp 9,672,000,000) for cooperation in the NGO (non-governmental organization) sector, and 9 million DM (7,254,000,000) for cooperation in the field of science and technology.

The negotiations on financial and technical cooperation which concluded on Thursday (Nov. 20), lasted four days.

Rusli Noor said that with the signing of the agreement, the Federal Republic of Germany has shown its understanding towards the economic situation faced by Indonesia by providing the long-term soft loans.

LNG AGREEMENT REACHED WITH TAIWAN

Jakarta BUSINESS NEWS in English 19 Nov 86 p 4

[Text]

The Indonesian state-owned oil company Pertamina and the Chinese Petroleum Corporation of Taiwan (CPC) will sign a contract for the supply of LNG from Indonesia to Taiwan in early 1987, President Director of Pertamina AR. Ramly announced here recently.

Negotiations between the two companies on the supply of LNG ended on November 8, 1986. Based on the agreement reached by the two companies, Indonesia will supply 1.5 million tons of LNG to Taiwan annually in 20 years as of 1990. They also agreed that the price would be fixed based on the CIF system.

The contract with CPC will involve the installation of new natural gas liquefying facilities in the Bontang LNG plant in East Kalimantan, the construction of an oil terminal and an LNG regasification plant in Kaoshung, Taiwan, and the building of a new tanker for the shipment of LNG from Indonesia to Taiwan.

The provision of those facilities will need big investments from both companies and constitutes a basis for the take or pay commitment they have made. Basically, the contract to be signed with CPC is similar to the existing contract agreements between Pertamina and other buyers of Indonesian LNG.

Indonesia still offers a competitive price for its LNG compared with LNG prices fixed by other LNG producing countries in the Pacific region. The export price of Indonesian LNG has so far been

linked with the export price with Indonesian crude oil.

With the fall in the prices of oil on the world market, the Generalized System of Preferences (GSP), which is previously used to determine the price of LNG exported to Japan, is no longer applied to fix the check price.

Therefore, the export price of LNG supplied to Japan is for the time being fixed based on the result of negotiations between both sides, till GSP can be used to determine the price.

Thanks to the understanding and cooperation of two negotiating teams, several principal matters will hopefully be settled before the end of this year. Japan has agreed on the use of a provisional price.

The check price of oil to be used in the calculation of the LNG price in the LNG supply to Japan, South Korea and Taiwan will be the same.

With the agreement reached with Taiwan in LNG supply, Indonesia's exports of LNG will increase to 18.2 million tons/year, comprising 14.7 million tons to Japan, 2 million tons to South Korea and 1.5 million tons to Taiwan.

The demand of those countries for LNG is expected to go up in the future; therefore, Pertamina is determined to increase further its LNG exports.

/9274
CSO: 4200/190

ENVOY CRITICIZES AUSTRALIAN JOURNALISTS

Jakarta ANTARA NEWS BULLETIN in English 18 Nov 86 p A2

[Text]

Canberra, Nov 18, (ANTARA/reuter) - Australian journalists lack understanding of Indonesia's traditional cultural background and its sensitivities, Indonesian ambassador August Marpaung said in a radio interview today.

He was commenting on Indonesia's refusal to renew the visa of Michael Byrnes, the last Australian journalist working in Jakarta.

Indonesia announced a ban on Australian journalists after the Sydney Morning Herald published an article in April on the business dealings of Indonesian President Suharto and his family.

Byrnes, who was accredited before the ban, was allowed to continue working in Jakarta until his 12-month visa expired last week.

"I believe from my experience that the Australian journalists more or less stress too much on the objectivity of their reporting system without taking into consideration the feelings of the Indonesian government or the people," Marpaung said.

"Coming to Jakarta is a privilege ... If the report is fairly balanced in our opinion, of course everybody would be welcome in Jakarta," he added.

Indonesia, unlike Australia, was still a traditional, mostly Moslem society with development problems, even in food production, he said, adding: "So we immediately jump up if someone says 'you are no good'."

Foreign Minister Bill Hayden yesterday told Australian journalists that they must handle their relations with Jakarta without government involvement.

/9274
CSO: 4200/190a

BRIEFS

OIL PRODUCTION SHARING CONTRACT SIGNED--Jakarta, 14 Nov (ANTARA)--Pertamina Thursday signed its third production sharing contract this year with Esso Exploration and Production Dumai Inc. The contract, signed by F.S. Zybura, vice president of/general manager of Esso Exploration and Production Dumai Inc. Abdul Rachman Ramly, Pertamina director and Prof Dr Subroto, Indonesian Minister of Mines and Energy, states both parties have the right to work in a 11,875 km2 area in and off shore Dumai, central part of Sumatra. It is also mentioned that all the exploration, investment and production costs are payable by the contractor. The contract was signed at the President's consent as stated in a decree on 12 November 1986. [Text] [Jakarta ANTARA NEWS BULLETIN in English 14 Nov 86 p A7] /9274

ADB LOAN FOR IRRIGATION--Manila, 21 Nov (ANTARA/Bernama)--The Asian Development Bank (ADB) Friday approved a US$120.7 million loan from its ordinary capital resources for the third irrigation package project in Indonesia, aimed at improving farm productivity, employment, income and living conditions in the least-developed areas. The project consists of three irrigation schemes with service areas totalling 28,740 hectares in Baro Raya (18,000 hectares) in Aceh, South Lakbok (4,970 hectares) in West Java, and Mamak (5,770 hectares) in West Nusa Tenggara. All three areas have lagged behind the main stream of the country's economic development, an ADB statement said. When completed, the project will directly benefit an estimated 38,700 farm families with a population of around 213,000, the majority of whom are low-income farmers. Employment opportunities during the construction phase are estimated at 1,200 man-years and at full development a total of 19,300 man-years per annum of employment will be generated. [Text] [Jakarta ANTARA NEWS BULLETIN in English 22 Nov 86 p A7] /9274

ADB AID FOR TIMBER ESTATES--Jakarta, 15 Nov (ANTARA)--The Manila-based Asian Development Bank (ADB) will provide a technical grant for timber estates in Indonesia, reminding that if within at least 15 years Indonesia failed in developing its timber plantations, its position as the world's richest rain forest country would fade, ANTARA reported from Tokyo Friday. The grant is designed for drawing up a timber estate development project covering 110,000 hectares. The technical aid will be used for conducting a feasibility study in various places in Sumatera, Kalimantan and Sulawesi for improving the quality of hitherto unproductive forest produce. The project will involve the directorate general for reforestation and land rehabilitation and the

state-run forest corporation Perhutani. [Text] [Jakarta ANTARA NEWS BULLETIN in English 15 Nov 86 p A5] /9274

NEW ZEALAND OFFERS CNG TECHNOLOGY--Jakarta, 21 Nov (ANTARA)--New Zealand has offered cooperation in the field of technology and equipment on processing and utilization of compressed natural gas (CNG) to Indonesia. This offer was disclosed by New Zealand's Minister of Energy, Sciences and Technology R. J. Tizard in an interview with ANTARA here Thursday evening. Tizard said, the use of CNG for motorcars turns out to be very cheap, about half of the price of petrol. As an example he pointed out that the price of one litre of petrol in his country was 80 NZ dollar-cents, while CNG of equivalent power only 42-43 cents. Besides being clean gas, CNG also does not cause air pollution compared with petrol and industrial fuel oil, he added. For Indonesia, which is rich in natural gas, the use of CNG will be fare more profitable, because it will mean economizing on the use of fuel oil, which can be exported, he said. He had to admit, however, that the use of CNG needed modification on the car engines, among other things in their combustion system. Tizard, who is in Indonesia as guest of Indonesian Minister of Research and Technology B. J. Habibie, explained that some 110,000 motorcars in his country were currently using CNG fuel, among others his own private car. [Text] [Jakarta ANTARA NEWS BULLETIN in English 21 Nov 86 p A1] /9274

MP GROUP TIMOR VISIT REJECTED--Indonesia has refused permission for a joint 4-member Australian-British parliamentary human rights group to visit the province of East Timor in January next year. The Indonesian ambassador in Canberra, Mr Marpaung, said the visit would not be opportune in view of the busy preparations for Indonesia's general elections next year. However, a spokesman for the group of Australian-British parliamentarians, federal Labor MP Mr (Robert Tickner) said today the group would keep up pressure on Indonesia to approve the visit. Mr (Tickner) said the group had written again to Mr Marpaung repeating the request. He said the parliamentarians also would reapply immediately after Indonesia's elections. Mr (Tickner) said the MP's continued to be deeply disturbed by reports of the London-based organization, Amnesty International, about serious violations of human rights in East Timor, including torture. [Text] [Melbourne Overseas Service in English 0430 GMT 17 Nov 86 BK] /12624

CSO: 4200/162

DEFENSE CHIEF ON ARMY ROLE AFTER CEASE-FIRE

HK271144 Manila Radio Veritas in Tagalog 1000 GMT 27 Nov 86

[Text] From the Defense Ministry, Defense Minister Rafael Ileto said that the military can be of great assistance to the people during the cease-fire period. According to the report by Peachie Orquiola, among the assistance that could be provided by the military is road construction and maintenance and others.

[Begin Orquiola recording in English] Defense Minister Rafael Ileto said today that if the rebels can observe the 60-day cease-fire, the military can also help the people in digging artesian wells or helping them build roads. Ileto added that [words indistinct]. He said there is need for the military to go back to the (basic duties of soldiers).

The defense chief issued the remarks in a message to members of the defense (mess corps). [passage indistinct]

Ileto said the length of the cease-fire period does not matter much. If the cease-fire is favorable to our people, we can extend it. [passage indistinct] if military operations are to be launched against dissidents, he would invite representatives of the human rights groups to go with the troops. We don't want innocent civilians to get hurt, the defense chief said.

This is Peachie Orquiola reporting. [end recording]

/9738
CSO: 4211/14

DAILY LAUDS ILETO, RAMOS; URGES AFP REVAMP

HK280241 Manila THE MANILA CHRONICLE in English 27 Nov 86 p 4

["On the Contrary" column by Petronilo Bn. Daroy: "Ileto, Ramos Lift Insurgency Campaign"]

[Text] With the ouster of Juan Ponce Enrile and the appointment of Gen Rafael Ileto as defense minister, the Cory Government is likely to have a more credible anti-insurgency posture. Like Gen Fidel V. Ramos, Minister Ileto is a non-rightist enemy of communism. We do not know to what extent the professional training of both Ramos and Ileto would allow them to appreciate the requirements of a liberal democratic dispensation. Being military officers, they will most likely tend to view issues from the perspective of their training and orientation, but this orientation is also qualified by their having worked in the tradition of the constitutional authority of a civilian government.

It is significant, for instance, that what marked the divergence of both Ileto and Ramos from the Marcos regime was the very tendency of the dictator to disregard the traditional structure of a liberal government they had been oriented to serve and the unprofessional way matters pertaining to the armed forces were being handled or conducted. Indeed, it was ironic that a bright lawyer like Ponce Enrile was able to tolerate for long the tendencies of Marcos while the two military officers found them disagreeable.

But all these considerations merely project both Ileto and Ramos as competent administrators and executors of an anti-insurgency program. This means that the NPA will be facing formidable adversaries.

The personal stature and brilliant records of both Ileto and Ramos, however, would not be sufficient to change the image of the present armed forces. In a sense it was unfortunate that before any reform could be instituted in the military establishment, the government began adopting the line of having a "new Armed Forces of the Philippines [AFP]." The change in the designation is nothing more than name-calling; it is on the level of rhetoric. For indeed, if any proof is required to argue against the validity of the "new" AFP, it is the series of coup plots that seemed finally to have been aborted over the last weekend.

The fact is that the present armed forces is still the same armed forces that executed Marcos policies. This is not [to] say that everyone in the military establishment is guilty of criminal acts; hence, it becomes more important, for the armed forces to regain its credibility, that those officers and members (actually, there are few of them in relation to the number of men in the entire organization) be subjected to investigation and charged before the proper judicial body, if the evidence warrants, or cleared, if the evidence is not sufficient.

This rectification, however, would be nearly impossible if the present wage structure of the armed forces is maintained. If it is true that the average soldier receives less than a Metro Manila aide, it may be difficult to expect professionalism and integrity from the armed forces. The potential for rectifying this situation, however, is present.

In the organization of the armed forces, 65,000 in the paramilitary units belong to Civilian Home Defense Forces [CHDF]. The members of this force are given guns but receive a nominal honorarium. Considering their number, this is a huge appendage which, we suppose, detracts greatly from the resources of the military. It is true that having the CHDF to face the enemy in the hinterlands, and getting killed in place of the regular trooper--the military saves personnel and is spared from having to pay benefits. But the whole practice is morally questionable.

Also, the CHDF is hardly trained in military maneuvers. When armed, he becomes either a potential security guard of the warlord who pays him or a terror in the community. In terms of the damage he inflicts on the image of the armed forces--and counter-insurgency is essentially a war of propaganda--the practice becomes more costly.

The dismantling of the CHDF would be more in line with the AFP's program for a trimmed-down but mobile and well-equipped force as well as address the demands of local governments. Its effect would be an immediate de-militarization of the countrysides, paving the way for the carrot--the economic and social component--of the counter-insurgency program.

/9274
CSO: 4200/169

VALENCIA ON ENRILE DEPARTURE FROM CABINET

HK261429 Manila THE NEW DAILY PHILIPPINES EXPRESS in English 26 Nov 86 p 4

[From the "Over a Cup of Coffee" column by Teodoro F. Valencia: "Enrile Must Now Speak"]

[Text] Former Minister Juan Ponce Enrile is no pushover. He still represents a clear threat to the Aquino government. Enrile is the turtle in the fable about the monkey and the turtle. He is biding his time and soon he will be back in the hustings.

Enrile has not said anything yet on his resignation and the people are waiting to hear his side of the story. What is clear is that he got out of the Cabinet without being a deserter. He wanted to be fired and he was fired. He was thrown out and he liked it that way.

According to the American media, the appointment of Defense Minister Rafael Ileto has the approval of Washington, D.C. The Americans want to prove that they are in the driver's seat in the Philippines. But that is bad for President Aquino and Minister Ileto. It means that the president cannot make a major move without American clearance and that Ileto is an American boy.

The developments in the Philippines and the removal of Enrile from the Cabinet were on U.S. television news programs every hour on the hour. The Philippines was the main story in U.S. newspapers. We took away public attention in the U.S. from the Iran fiasco of the Reagan administration.

Notes: Many people do not know about the script in the Philippines because it was written somewhere else.... The U.S. press praised President Aquino for her get-tough policy against the communists.... Most Filipinos in California are worried about their Christmas visit to the Philippines because of what they see on TV and read in the newspapers. They may cancel out but PLA [Philippine Airlines] is not worried because it is already overbooked.

/9274
CSO: 4200/169

MALAYA STRESSED NEED TO MAKE TRUCE PACT WORK

HK271456 Quezon City ANG PAHAYAGANG MALAYA in English 27 Nov 86 p 4

[Editorial: "Making the Pact Work"]

[Text] Beyond the hopes generated by the optimistic announcements of government negotiator Ramon Mitra about the prospects of a ceasefire agreement between the Aquino regime and communist rebels, lies a wide stretch of responsibility that must not be overlooked or drowned in euphoria. The prospect of a peaceful Christmas--the first in almost 18 years--must surely warm the heart of every Filipino, but the awesome job to make sure it holds must not be underestimated.

If the government and the National Democratic Front do sign a ceasefire pact today, to take effect possibly on 10 December, everything must be done by both sides to ensure that it will not be just an agreement for show.

It must not be viewed by government as just another feather in Mrs Aquino's cap, a chance to boast about the benevolence of her administration. The revels, who certainly can gain much propaganda headway by agreeing to the truce, must not forget either their responsibility to make sure their men in the field honor the pact.

Certain draft provisions of the proposed pact seek to ban all "hostile acts" by either side during the truce period.

Expecting both sides to honor at all times these conditions is certainly a tall order.

Doubt is often raised on how the military will behave in the new scheme of things, and on the rebel side, the capacity of the NDF leaders to control all of their men in the field, especially New People's Army leaders who may be of a strong militarist bent.

The monitoring committee that will be set up to handle complaints of violations will certainly have a tough job on its hands. How it does this will determine, to a large extent, how feasible are the prospects of a long-term or permament peace. There will always be forces who will not consider

long-term peace an advantage, and will always try to mess up the situation.

In the long run, there is really no guarantee that the goodwill shown so far by both sides will result in a lasting peace, considering their deeply rooted differences in approaching the country's problems. But both insist they are working for the people, and only history will separate the true patriots from the fake.

/9274
CSO: 4200/169

EDITORIAL ASSAILS BOSWORTH AMBASSADORSHIP

HK031416 Manila THE MANILA EVENING POST in English 2 Dec 86 p 4

[Editorial: "The Bosworth Presence"]

[Text] One of the most shadowy ambassadors to come to the Philippines has been the present American Ambassador, Stephen Bosworth. Rarely seen or heard, he is felt to have a hand in the political drama now being played out in this country. Although there was news he was going to be shipped to another country (perhaps to pursue another political game) he will not leave without a big bang.

One wonders how Mr Bosworth is able to do what he has been doing for his role in this country has gone beyond that of a diplomat. Yet not one reprimands him; whether here, or in Washington.

It seems that he is so well connected with the powers that be in the United States that he has been given a free hand by his sponsors. Is this a rule in Washington that when a country like the Philippines is under the American sphere of interest anything goes?

As is already known, the entire intelligence and security community in the United States today is under fire because of the Iranian arms deal. Many high-ranking officials of the Reagan administration are being investigated to see if any laws have been violated. But in the case of Mr Bosworth, his persistent political interference in our country is apparently not a violation of American laws. He may even be promoted.

Like it or not, as long as Americans have the military facilities to protect and their numerous multinationals to preserve, they will always exert firm control over our government. A president is tolerated as long as he toes the line but once he deviates, he's in danger.

We Filipinos can shout all we want, but as long as these bases are here and the Americans find them vital, they will always intervene, through Bosworth or someone else. Our main concern then is to remove these bases. No bases; no interest; less intervention. This is the political and strategic reality.

If the bases stay, we will always have to contend with Bosworth and his kind.

/12624
CSO: 4200/191

PIMENTEL ON UNIDO, KBL CHARGES ON ENRILE OUSTER

HK260633 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 26 Nov 86

[Text] Local government Minister Aquilino Pimentel, Jr described as lies the latest UNIDO [United Nationalist Democratic Organization] and KBL allegations regarding former Defense Minister Juan Ponce Enrile's dismissal from his post. For more details, here is Joy Montero.

[Begin recording] In a television program last night, UNIDO Secretary General Rene Espina and the KBL's Salvador Britannico said that Enrile's ouster from the cabinet was part of a plan to dismiss the military officials who had helped in toppling former President Marcos last February. According to Espina and Britannico, the next step of the plan called for the ouster of Armed Forces of the Philippines Chief General Fidel Ramos.

Pimentel rebutted Espina and Britannico's allegations. According to Pimentel, the charge aimed to convince the military to withdraw its support for the leadership of President Aquino.

In the same program, Pimentel responded to UNIDO charges that the officers in charge [OIC] issue has become a source of instability in the country. Pimentel stressed that some OIC appointments, notably in Southern Tagalog, were based on UNIDO recommendations.

As for the graft and corruption accusations against some cabinet members, Pimentel responded that Tanodbayan Raul Gonzales is a member of UNIDO and that UNIDO should file charges with the Tanodbayan against any corrupt officials.

This is Joy Montero reporting. [end recording]

/9738
CSO: 4211/14

OFFICIAL SAYS TRIBESMEN INFILTRATED BY COMMUNISTS

HK251311 Davao City THE DAILY SAN PEDRO EXPRESS in English 13 Nov 86 pp 1, 2

[By correspondent Vilma Flauta]

[Text] Cotabato City-- Tribal communities in the hinterlands of Cotabato Province have been infiltrated by communist rebels.

This was disclosed by Datu Joseph Sibug, newly elected president of the association of tribal communities in the Philippines (ATRICOP).

In the hinterlands of Cotabato Province, Sibug have noted that more and more highlanders have been joining the insurgents. He said that tribal communities have nowadays become the prime targets of the communist movement in their recruitment because most of them are easy to convince.

Sibug also cited the illiteracy problem and the feeling of the highlanders that they are being neglected by the government as factors that pushed them to join the insurgents ranks.

As a counter measure, the ATRICOP is embarking on beneficial projects that can divert the attention of the highlanders from the massive education and recruitment of the insurgents in the area.

Presently, Sibug said, the ATRICOP is also concentrating in offering education to the highlanders. These activities, Sibug added, can prevent them from totally joining the rebel groups.

/9274
CSO: 4200/169

NDF 'READY TO FIGHT' IF CEASE-FIRE FAILS

HK271150 Manila Radio Veritas in Tagalog 1000 GMT 27 Nov 86

[Text] The sincerity of the government and the National Democratic Front will be tested in the implementation of the cease-fire agreement following the formal signing of the agreement at Club Filipino this afternoon. It was learned that the cease-fire agreement will take effect on 10 December and will last 60 days. Earlier, Satur Ocampo announced that they hope that the cease-fire will be successfully observed. At the same time, he added that they are ready to fight if it should fail.

[Begin Ocampo recording in English] ...The cease-fire agreement is a good start. [passage indistinct] We are one with the Aquino Government in the quest of peace. But we know that there are elements within the government which wanted to disrupt the peace process. We endeavour to do our best for as long as there are [words indistinct]. But we are prepared at the same time to resume the armed struggle if and when the door to peace is closed. [end recording]

Mr Satur Ocampo, one of the NDF representatives who signed the agreement.

The implementation of the cease-fire agreement will mean total peace in the country, notably between the military and NPA, during Christmas. The agreement will also test the sincerity of the military and the NPA to stop armed clashes where the victims were usually the innocent civilians.

On the other hand, Minister Ramon Mitra declared that he hoped the signing of the cease-fire agreement in the country would signal the beginning of continued and absolute peace in the Philippines.

/9274
CSO: 4200/169

GROUPS URGE RETENTION OF CABINET MINISTERS

HK261431 Manila PHILIPPINE DAILY INQUIRER in English 26 Nov 86 pp 1, 6

[Excerpts] Speculations on the "two to four" other Cabinet ministers in danger of losing their jobs following President Aquino's announcement of a Cabinet revamp Sunday continued yesterday as the Palace kept its silence on the matter.

Meanwhile, various groups have started holding mass actions and issuing statements supporting certain Cabinet ministers and appealing for their retention.

Pimentel's retention was urged yesterday by three groups--the Muslim Association of the Philippines, Philippine Jaycees and the League of Provincial Governors and City Mayors.

The Muslim group said that with Pimentel around, the people of the region would be assured of ample representation in the government.

It said Pimentel is one leader who is respected by both Christians and Muslims in Mindanao.

Neuva Ecija Gov Emmanuel Santos, secretary general of the League of Provincial Governors and City Mayors, said Pimentel cannot be faulted for the imbroglio over the appointment of officers-in-charge.

On Sanchez, sources in the labor front told the INQUIRER that some labor organizations, including the military Kilusang Mayo Uno [1 May Movement], are considering staging mass actions and holding strikes should Sanchez be replaced.

Maceda, on the other hand, said yesterday he would continue supporting the president "whether I am in or out of the government."

In a brief statement, Maceda said he would accept whatever the president decices even as the Philippine Wood Products Association wrote Ms Aquino the other day batting for his retention.

Maceda is now facing four cases before the Tanodbayan filed by people who, according to sources in the ministry, have been adversely affected by the current drive against illegal logging.

Over at the Public Works and Highways Ministry, Minister Mercado said he would also abide by whatever decision the president takes on his case.

In a statement, he said he was willing to accept Ms Aquino's decision and would continue cooperating with her for national unity and progress.

About 50 persons, meanwhile, demonstrated at Gate 2 of Camp Aguinaldo yesterday afternoon to demand the reinstatement of Enrile.

Among those who participated were wives of soldiers who expressed support to the outsted defense chief's drive against communist insurgency.

In a related development, local businessmen yesterday appealed to the president to appoint persons with "centrist" leanings in the new Cabinet.

Alarmed by the threats of insurgency and labor unrest, the businessmen said confidence in the country's economy and business climate could be enhanced if persons whose ideologies and aspirations would bring about progressive economic development would be named.

Aurelio Periquet Jr, president of the Philippine Chamber of Commerce and Industry said about 100 businessmen will discuss their common stand starting tomorrow during the 12th Philippine Business Conference.

The group refused to say whether they favor Sanchez' replacement as labor minister, but stressed that labor unrest has been causing too much worry among local businessmen.

Meanwhile, Vice President Salvador Laurel yesterday said the revolutionary government has brought about the feeling of insecurity which has almost paralyzed the government service.

In a speech read for him by Batangas Gov Jose Laurel before the Philippine Exporters Foundation at the Manila Peninsula, Laurel declared that "the de facto nature of the government has become the well spring of the popular perception of its own instability."

Laurel, who is confined at a hospital for influenza, said that he used the phrase "popular perception of instability" because that is what the people perceive. He added that rightly or wrongly, that is what the people discern.

Quoting American journalist-historian-Theodore White, Laurel stressed that "in politics it is not the way things really are that count, but the way they appear to be."

/9274
CSO: 4200/169

ENRILE, RAMOS, 48 OTHERS SAID ON 'HIT LIST'

HK261425 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 26 Nov 86 p 3

[Text] Military intelligence sources disclosed yesterday that former Defense Minister Juan Ponce Enrile and AFP [Armed Forces of the Philippines] chief of staff, Gen Fidel Ramos, head a list of people to be liquidated.

The same sources also said that 48 other persons on the "hit list" are supporters of Enrile, who belong to the Reform the Armed Forces Movement (RAM), and Marcos loyalist leaders.

There are at least 400 members of the so-called Yellow Army and some 700 members of the dreaded New People's Army's sparrow unit which are ready to execute what sources tagged as "selective" liquidation.

According to the same sources, the primary target of the liquidation scheme is to strike terror into the hearts of the people, specially to opposition. If communists succeed in this objective, the next step is takeover of the government.

Sources also said that the newly-appointed defense minister, Rafael Ileto, is a close relative of President Aquino. The former ambassador was allegedly one of the men behind the creation of the so-called Yellow Army which now has at least five Israeli agents training them.

Because of Ileto's ascendancy to the Defense Ministry, the same sources pointed to the possibility of the unleashing of a big purge in the military to neutralize all officers and personnel whose loyalty to Aquino is doubtful.

It is even possible, they said, that Yellow Army members would be incorporated with the NAFP [New Armed Forces of the Philippines].

Some loyalists vowed to stage mass protest for the sacking of Enrile who they said was the only official in the Aquino government who is against communism.

The loyalists have been holding a protest vigil in front of Camp Aquinaldo since Monday night. They said their number will swell when people from Cagayan, the former defense chief's province, and provinces adjacent to Metro Manila arrive.

/9274
CSO: 4200/169

MISUARI ASSURES CANOY ON CHRISTIANS IN MINDANAO

HK280637 Manila PHILIPPINE DAILY INQUIRER in English 27 Nov 86 pp 1, 2

[By Roy de Guzman]

[Text] Zamboanga City--Moro National Liberation Front (MNLF) Chairman Nur Misuari has given a commitment to Mindanao opposition leader Reuben Canoy that Christians in Southern Philippines "will have a place" in their proposed autonomous government.

The former assemblyman, chairman of the anti-government Mindanao Independence Movement (MIM) visited Misuari's temporary headquarters in Sulu last Sunday.

It was the second time Canoy talked with Misuari, in what political observers said was a move to woo that MNLF to join the campaign against the Constitution.

Canoy, however, said the alliance between the MIM and the MNLF is "more of an ideological and political link" than an organization one.

"This is significant for all of us--Christians or Muslims in Mindanao. As Misuari himself said, 'the interest of Mindanao and its sovereign people are one and inseparable," Canoy said.

He said he was asked by Misuari to join the current peace negotiations with the government.

"Misuari fully shows that there will be no effective negotiations until the Christians of Mindanao are included," Canoy said.

But he said he declined the offer but agreed to list down their demands so Misuari may include them when formal peace talks with the government start early next year in Saudi Arabia.

Canoy said the reason behind the MNLF--MIM link is a common advocacy for self-determination and self-rule in the south.

He said more meetings with the MNLF are scheduled not only with the MIM but also with other Mindanao-based groups like the Mindanao-Sulu-Palawan Association (Minsupala).

Canoy said he hopes that all groups in Mindanao can unite to pursue the establishment of an autonomous independent government.

He said they do not foresee the setting up of a separate government soon. "This is one thing not publicly said, but it will come."

Chaos in Manila due to the turbulent political situation, said Canoy, would hasten the formation of the Mindanao Independent State.

"If the Manila government can no longer govern us, who'll take care of Mindanao but its people?" he asked.

Misuari, in an earlier interview with the INQUIRER would not issue any categorical statement on his group's links with Mindanao opposition groups.

Misuari came home last September from 10 years of self-exile in the Middle East to lead the MNLF in truce talks with the government.

More than 50,000 people were killed in the southern conflict that started in the early 70's when the MNLF launched an armed struggle for independence against Marcos' dictatorial rule.

/9274
CSO: 4200/169

MUSLIM FACTION DENOUNCES ENRILE OUSTER

HK031431 Manila THE MANILA EVENING POST in English 2 Dec 86 pp 1, 3

[Text] A Muslim leader yesterday said that all political and revolutionary Muslim forces will hold their biggest convention tomorrow in Metro Manila to denounce the dismissal of former Defense Minister Juan Ponce Enrile and reiterate their commitment to support him in his cause.

Datu Firdausi Abbas, chairman of the Executive Council of the Bangsa Moro Islamic Party (BMIP), told THE MANILA EVENING POST the Muslim forces will not fail Enrile in his struggle for power.

Abbas said the ouster of enrile, who became the most controversial member of the Cabinet because of his continuous attacks on the policies of the Aquino government, means the "removal of the last pillar of democracy in the country."

"Enrile, under the Aquino dictatorship, was not only a fiscalizer but also the only fiscalizing agent who had the status to check the excesses of the Aquino government," Abbas said.

He added that Enrile's ouster also paved the way for the communists and the leftists to consolidate their forces and have a strong political influence on the President.

Abbas said the dismissal of Enrile, described as a thorn in the Aquino government, could be likened to a crown of thorns which Aquino herself placed on her head.

"It will be painful as days pass by," he added.

The BMIP also lamented the fact that in the absence of Enrile, the military now has a distorted sense of loyalty.

"If the military is truly conscious of its role, it must guard the Republic which has already been endangered by Presdient Aquino when she abolished the Batasang Pambansa and assumed all powers," the Muslim leader added.

The BMIP, Abbas said, stands firm on its decision not to vote for ratification of the proposed Charter because it repudiated the 1973 Constitution.

President Aquino, he said, has no right to repudiate the 1973 Constitution because it is the basis for her claim to presidency, based on Article 18, Section 5 of the proposed Charter.

Abbas stressed that the Freedom Constitution is null and void along with the Constitutional Commission (Concom) which was created to draft it.

"When Aquino asks the people to vote 'yes' to the Constitution she is asking the people to legitimize all illegal acts of the present dispensation," Abbas said.

/12624
CSO: 4200/191

COLUMNIST WARNS OF FURTHER COUP ATTEMPTS

HK261155 Quezon City BUSINESS DAY in English 26 Nov 86 p 4

["My Cup of Tea" column by Ninez Cacho-Olivares: "Not Over Yet"]

[Text] The latest attempt of some elements in the military to upset the existing order continues to be discussed, analyzed and dissected by every Tomas, Ricardo and Enrique. But while almost everybody talks about the "Saturday coup," Palace and defense officials and high-ranking AFP [Armed Forces of the Philippines] officers have, it seems, sown a zipper over their mouths.

Something out of the ordinary occurred over the weekend, and it wasn't just the resignation of former Defense Minister Juan Ponce Enrile. Soldiers were on the alert. Soldiers set up checkpoints. Soldiers were all over the television and radio stations and other "vital" offices. Soldiers were at the Batasang Pambansa. Telephone lines were kept busy. Filipinos called their friends and relatives about the coup that they said was in progress.

Other strange things occurred. Television stations, which normally sign off at midnight, were still broadcasting, even if it was already the wee, wee hours of the morning. By afternoon, almost everyone glued to his TV set saw a visibly tired President Aquino announcing to the nation that she had asked for the resignation of all her Cabinet ministers and had appointed Gen Rafael Ileto as her defense minister. No reasons were given. A few hours later, television offered panel interviews and a sketchy report of the events that had transpired. The memo from the AFP chief of staff Fidel Ramos to the commanding officers of the AFP was made public. Intelligence reports, it said, disclosed that there would be an attempt by exploticians to reconvene the Batasang Pambansa. The memo also very clearly stated that any orders issued by the Ministry of kefense and Col Gret Honasan were to be disregarded.

And yet after all that, television cameras caught the AFP Chief of Staff and other AFP officers trooping to Juan Ponce Enrile's home in a Makati Village and all they told the media was that they had paid the former minister a courtesy call to let him know that they continued to hold him in high esteem. Gringo and the boys were reported to have paid a courtesy call on the new defense minister.

Almost everybody is convinced that a coup of sorts had been either planned or attempted last Saturday by some elements in the military indentified with the Enrile bloc. Many are convinced that Enrile was part of that plan to upset the existing order. Perhaps just as many are convinced that it was only his boys, who had teamed up with Marcos loyalists, who were involved in such a plot. But we still haven't heard what the nation wants to hear from the president, the new defense minister and the chief of staff.

A plot or an attempt by a faction of the military to stage a coup d'etat should not be treated lightly. A coup d'etat is not a joke. It is serious business. And plotters must be flushed out and punished.

In the nine-month existence of the Aquino government, there have been at least three known plots, if not attempts, of a coup d'etat. In July, there was the attempted putsch at the Manila Hotel. Then there was the discovery of the "God Save the Queen" coup plot and, of course, this latest one.

I know we are an extremely polite society and I realize that most Filipinos are much too polite for their own good. But surely, one need not be that polite when it comes to pinpointing, arresting, charging and punishing, through courts-martial, the coup plotters.

Although this is highly debatable, I am nevertheless convinced that had the plotters of the coup attempt at the Manila Hotel been made to face court-martial and either jailed or dismissed dishonorably, the "God Save the Queen" and the "Saturday coup" plotters would have thought at least three times before making another try.

But the danger isn't over yet. There may be more plots and more attempts at seizing state power if the government continues to forgive coup plotters for the sake of reconciliation.

/9274
CSO: 4200/169

DEPUTY FOREIGN MINISTER ON 'STRENGTHENING TIES' WITH USSR

Quezon City ANG PAHAYAGANG MALAYA in English 7 Nov 86 p 3

[Text]

The Philippines and the Soviet Union appear headed for a strengthening of ties as both governments have agreed to conduct ministerial level meetings regularly to discuss political, economic and cultural issues.

Deputy Foreign Minister Leticia Shahani told a press conference the agreement was signed by her and her Soviet counterpart during her recent trip to the Soviet Union.

Under the agreement, a "regular exchange of views" will be held at a level no lower than that of the foreign minister or the deputy minister.

Exclaiming the diplomatic thrust of the new government, Shahani said although the Philippines is not discarding its "old and tested allies," it is not preventing itself from pursuing good and meaningful relations with socialist countries.

Philippine foreign policy is not limited to bilateral Philippine-American relations, she said.

Shahani stressed the need to find "as many markets" at a time of high unemployment and other economic difficulties.

She noted traditional trading partners, such as the US and Western Europe, have very good markets but that these are steadily coming under heavier restrictions.

Shahani said she had briefed Soviet officials on Philippine developments, particularly efforts to ratify a new Constitution and to seek reconciliation with rebel groups.

Shahani also said she had obtained an assurance from Soviet Deputy Foreign Minister Mikhail Kapitsa that his country does not and will not have any contracts with the Communist Party of the Philippines and the New People's Army.

Shahani told the press conference Soviet and Filipino officials also discussed the possibility of setting up a coal plant in Isabela.

The project, which will be participated in by Finland, aims to provide the energy which would have been generated by the Bataan Nuclear power plant.

Shahani said the Soviet Union has also offered 55 scholarships to the Philippines.

/9274
CSO: 4200/190

COLUMNIST DECRIES CONSTITUTIONAL COMMISSION LOBBYING

Manila MANILA BULLETIN in English 7 Nov 86 p 6

[Commentary by Jesus Bigornia: "Con-Com Now Malacanang 'Mouthpiece'?"]

[Text]

THE Constitutional Commission (Con-Com) declared itself "functus officio" after it submitted the draft constitution to President Aquino at Malacañang last Oct. 15. The legal term, translated in Black's Law Dictionary, means "has fulfilled the purpose of its creation and is therefore of no further virtue or effect." But the Con-Com has changed its mind. It continues to exist by virtue of an executive order signed by the President, but no longer as a constitution writer. The order redefines its task as that of constitution defenders.

• • •

The order is careful in concealing the real mission of the commissioners. It merely states that they shall participate in "an educational drive on the draft they have drawn up." This is nothing but a thin disguise for a ratification campaign, since no parent may disown, much more murder, his own offspring. The commissioners are authorized to spend for that purpose P1.5 million of the people's money which represents savings from the original P20-million budget.

• • •

Christian Monsod, the chairman of the overall planning committee under Con-Com President Cecilia Muñoz Palma, also Namfrel chairman and rabid Aquino supporter, will lead the campaign for ratification. It is not officially known if he had anything to do with Section 5 of the "Transitory Provisions" which proclaimed Aquino and Laurel winners of the Feb. 7 "snap" presidential election and, on that basis, awarded them an automatic six-year term. It will, however, strain credulity to believe he was innocent. The simple fact is that his wife Winnie and his Namfrel predecessor, Jose Concepcion, are now members of the Cabinet. Is Namfrel still capable of taking a non-partisan stand on the draft constitution? it is asked. Or is it still necessary to maintain a veneer of non-partisanship?

• • •

Why the framers of the constitution, who took such pride in their independence of the appointing power, should end up as virtual Malacañang "mouthpieces" in the drive for ratification must be one of the great anti-climaxes of history.

• • •

Emissaries from the communist-dominated National Democratic Front (NDF) have indicated a willingness to resume negotiations for a "ceasefire" in the 17-year-old insurgency. In token of communist good faith, former newsmen Saturnino Ocampo and

Antonio Zumel, members of the communist panel of negotiators, suggested a three-month ceasefire instead of the government's 30-day proposal. Possibly, a middle ground would be decided. During the truce, if all goes well, substantial issues that triggered the uprising and spread of rebellion would be discussed.

• • •

It might be timely even at this early stage to convey to the government negotiating panel — composed of former Senator Jose Diokno, Commission on Audit chairman Teopisto Guingona and Agriculture Minister Ramon Mitra — a common plea of provincial businessmen for the cessation of tax collection activities of the New People's Army (NPA), the military arm of the Communist Party of the Philippines (CPP) for the duration of the prospective peace talks. Traders and fishpond operators, particularly in Central Luzon, propose a parallel "cease-tax."

• • •

Feedback from the provinces confirm reports that the communist rebels have stepped up tribute collection from persons perceived to be in a position "to contribute" to their movement. Such persons have reportedly received "love letters" with the following greetings: "A 'red' greeting to the whole family, hoping that everyone is in good health." The letters conclude with an appeal for "voluntary" contribution to the movement. The vast majority of recipients of such "love letters" swear they are the "real McCoy" and that they had to "come across" in fear of reprisal.

• • •

Certain fishpond owners of Pampanga and Bulacan now ask if the NDF negotiators can, or will, call off their tax assessors and collectors during the truce period. It is further suggested that the government negotiators demand a stop to "agaw armas" drive of the communist rebels. Properties, including fishponds, have become easy targets for robberies because their guards have been seized by roving NPA bands, it is claimed.

/9274
CSO: 4200/190

TFDP CLAIMS 127 'POLITICAL ARRESTS' UNDER AQUINO

Manila MANILA BULLETIN in English 15 Nov 86 p 18

[Text]

CHICAGO, Illinois (By mail) — The national coordinator of Task Force Detainees in the Philippines (TFDP) disclosed here last week that the military, under the government of President Aquino, has arrested 127 persons accused of committing political offenses since the February Revolution.

Sister Mariani Dimaranan, a member of Mrs. Aquino's human rights commission, said the new wave of arrest was a "carryover of the military's counter-insurgency measures."

Dimaranan told a Filipino-American audience during ecumenical prayers sponsored by the Filipino Church of Chicago for Philippine Concern and other human rights groups at the Philippine Ecumenical church here that of the 127 arrested, 65 were reported to have been "salvaged" while 26 are still unaccounted for.

She said between 300 to 600 more political detainees under the past regime have yet to be accounted for by the military. Already, about 1,000 political prisoners have been freed by Mrs. Aquino's government.

The Franciscan missionary said new political detainees were discovered only recently.

She said the prisoners President Aquino had ordered released were mostly those who sought the assistance of the TFDP before the Aquino government was installed.

"This means that the military during the Marcos regime prevented us from extending humanitarian assistance to those political prisoners still in prison," she said.

Many detainees, she said, cannot be released because they have also been charged with common criminal offenses like murder in addition to rebellion, insurrection or sedition charges.

Mariani followed the speaking tour of ex-political detainee Fr. Ed de la Torre last Oct. 31 and Donald D. Goertzen, a US missionary to the Philippines, last Oct. 5 in a series of seminars here that culminated with a two-day "Panata sa Kalayaan" (Oath of Freedom) on Nov. 14 and 15 sponsored by the Philippine Educational Theater Association (PETA) and the Likha Promotions at Northeastern Illinois University auditorium.

Father De la Torre said that the sudden outburst of Defense Minister Enrile against President Aquino is part of his (Enrile) plan allegedly to win political power.—J G L

/9274
CSO: 4200/190

DAZA ASSURES 'CONTINUED LOYALTY' TO AQUINO

Manila MANILA BULLETIN in English 15 Nov 86 p 18

[Article by Rene C. Alviar]

[Text]

Raul Daza, commissioner of Presidential Commission on Good Government (PCGG) with a rank of deputy minister, assured his continued loyalty and strong support to President Aquino in case he is removed from office by President Aquino.

Daza expressed his assurance in the wake of reports that President Aquino will soon sack a senior PCGG official and his associates for reviving an investigation against Japanese companies.

Mrs. Aquino hinted the other day at the removal of a PCGG official during her arrival from Japan where she was able to obtain pledges at about $1 billion in soft loans from the government of Prime Minister Yasuhiro Nakasone.

The investigation of eight major Japanese companies had caused embarrassment to Mrs. Aquino in Tokyo where she had appealed for more investments from Japanese companies, including several which had been linked to former President Marcos for bribery in order to get contracts in Manila.

The investigation was conducted last Monday during a scheduled hearing by the PCGG, a presidential commission created to track down ill-gotten wealth of Marcos and associates.

Minister Jovito R. Salonga, PCGG chairman, assistant solicitor general Eduardo Montenegro, and Daza went to Malacañang yesterday before a Cabinet meeting to report on what really happened at last Monday's hearing on the anti-graft charges against Marcos and 27 others.

Daza said that Montenegro, who presented evidence to the solicitor general, would have confirmed to the President that Daza was not at fault and that Montenegro assumed full responsibility for what had happened at the hearing.

Daza recalled that last Monday's hearing was a mere continuation of hearings of anti-graft charges against Marcos and 27 other persons which began last July.

/9274
CSO: 4200/190

LAWYERS GUILD URGES AQUINO TO EXERCISE AUTHORITY

Manila MANILA BULLETIN in English 16 Nov 86 pp 1, 18

[Article by Rod L. Villa, Jr]

[Text]

The Integrated Bar of the Philippines (IBP) said yesterday President Aquino should exercise her powers to squelch the growing boldness of forces determined to destabilize the country.

IBP President Vicente D. Millora said the use of her reserve powers is not inconsistent with the ultimate goals of unity and reconciliation of the revolutionary government.

These powers must be unleashed to neutralize those whose knowledge of power is limited to the use of violence as against the vast majority of the 55 million Filipinos whose desire is to live in peace, Millora said.

Millora had earlier voiced the position of the IBP board of governors for ratification of the new constitution to preempt a "power vacuum" created by its rejection.

The IBP president said the balance of forces still appears tilted in favor of the Aquino government, backed by a goodwill that, under very adverse situation of fascism and injustice, can still count on "people power."

Meanwhile, Constitutional Commission member Ricardo J. Romulo said the new charter, contrary to claims it is left- or right-leaning, is "in reality not leaning at all."

"It is a balanced constitution whose direction is centered on looking forward," Romulo told the American Chamber of Commerce.

"In every line of the charter is written balance and stability; in every paragraph, faith in the present and confidence in the future," he said.

Romulo cited the balancing of government powers in the provisions on the emergency powers of the President.

He recalled that the previous regime warped the 1935 Constitution which permitted the declaration of martial law in 1970, and coupled this with a judicial doctrine called "political question" which the Supreme Court repeatedly invoked in refusing to overrule dictatorial acts.

Romulo said the new charter tackles the problem by first clipping the power of the president to declare martial law unilaterally in cases of actual, "and not just imminent" invasion or rebellion.

The Chief Executive, under the draft charter, must submit a report to Congress within 48 hours from proclamation.

During this period, martial law will not suspend the Constitution or supplant the civil courts or legislative assemblies, nor will it give military courts authority over civilians where civil courts are operating, Romulo explained.

Agrarian Reform Minister Heberson T. Alvarez said approval of the charter would speed up the land reform program in rice and corn lands.

He said ratification would complete the program within two years and improve the quality of life of the rural population. Alvarez talked at the ceremonies launching Bagong Alyansa ng mga Magsasaka (Bansa), an umbrella organization of some 20 national and regional associations of farmers, fishermen, and urban poor, at the National Press Club.

Alvarez said there is need for implementors of agrarian reform and the farmers to work hand in hand to "insure the totality of reformation and national development under President Aquino."

He assured the farmers that the new leadership at the Ministry of Agrarian Reform (MAR) is "doing its best to effect the changes desired to improve the quality of life of 75 percent of our population who live in the countryside."

"This is in line with the direction provided by the new government to focus developmental efforts at the countrysides to spur industrial and economic progress," Alvarez added.

/9274
CSO: 4200/190

LABOR MINISTRY REPORTS DECREASE IN STRIKES

Manila MANILA BULLETIN in English 17 Nov 86 pp 1, 14

[Article by Olaf S. Giron]

[Text]

There was a consistent drop in the number of strikes from last April to October, according to the Ministry of Labor and Employment.

From an all-time high of 78 strikes in April, the strikes dropped to 18 by the end of October. There were 73 strikes in May, 75 in June, 58 in July, 47 in August, and 46 in September.

The labor ministry has so far handled a total of 537 strikes, 16 of which were carryovers from the previous year.

Ongoing strikes declined from 84 in June-July to 59 in October. Of the strikes, 29 were in the national capital region.

The major strikes were at the Pantranco North Express with 2,000 workers involved; Pioneer building administration, 314; Rosewood Processing, 300; Mabuhay Textile Mills, 280; Island Cement, 270; La Tondeña, 250; Filtrade, 200; Phesco, 200; Vinyl Products, 200, and Philippine Rabbit Bus Lines, 199.

Notices of strike filed with the ministry from January to October numbered 1,510 and involved 263,750 workers.

The number of strike notices disposed of during the period was 1,208, leaving 302 notices pending in the Bureau of Labor Relations (BLR) and regional offices.

Arbitration cases pending at the National Labor Relations Commission (NLRC) as of October were 8,917, with 7,434 in the arbitration branches and 1,285 in the main offices.

Meanwhile, the MOLE's labor statistics service (LSS) reported a total of 2,287 labor organizations with a membership of 4,825,642 registered from January to October compared to last year's 1,954 organizations with 4,780,604 members.

Collective bargaining agreements during the January-October period reached 2,352 covering 322,738 workers as against 2,007 CBAs covering 266,537 workers in 1985.

On the employment situation, the LSS reported a labor force of 21,852,000 as of July as against 21,046,000 in July last year.

The number of terminated workers this year decreased by 49.7 percent from the number in the same period in 1985. Local placements declined by 11.5 percent, but overseas deployment was 4.7 percent above the 1985 level.

Local placements from January to September reached 12,236 compared to 13,824 in the same period last year, while overseas placements this year numbered 311,616 against 297,580 last year.

/9274
CSO: 4200/190

BIGORNIA ANALYZES 'TENTATIVE' POLITICAL ALIGNMENTS

Manail MANILA BULLETIN in English 17 Nov 86 pp 6, 18

[Commentary by Jesus Bigornia: "Political Party Shifts Await Ratification"]

[Excerpt]

CURRENT political alignments represent the reflex action of politicians who cannot as yet see clearly the outline of tomorrow. They are therefore waiting for better cues from swiftly unfolding events. Whether one speaks of the opposition parties or the pro-Cory ones, these alignments are highly tentative. They will firm up only after a new Constitution is ratified — if ever — early next year.

* * *

Many former governors and mayors, mostly members of the Kilusang Bagong Lipunan (KBL), who were arbitrarily replaced by officers-in-charge flocked to the Nacionalista Party (NP) banner on a single expectation: that they could recapture their old posts overnight from the usurpers through a lightning strike by the same people who installed Mrs. Corazon Aquino, widow of the martyred opposition leader Benigno Aquino Jr., in power. "Malapit Na," the Tagalog equivalent of "imminent" bloomed in Manila coffeeshops. The initials JPE was whispered reverently as though those were sacred keys to forthcoming salvation. Colleagues with slower perceptions were urged to "better act fast before you miss the bus."

* * *

Those who stuck to the old party did so because they thought the true savior was still biding his time in Hawaii. They would not desert "the Eagle" and offend him by siding with his quondam friend and present nemesis. They dismissed the defections as part of political fortunes. But they all shared the same hopes of a quick reversal of their fortunes with a well-placed "surgical" strike. Since most of them belonged to the Nacionalista Party of old, the KBL is a reversible jacket.

* * *

A splinter of the KBL, the Partido Nacionalista ng Pilipinas (PNP) has taken an independent course since it broke with the Marcos party in March 1986. Such a course is described by its acknowledged head, former Labor Minister Blas F. Ople, as "critical opposition." In its manifesto, the new party says: "We believe in ousting the Aquino regime by constitutional means; through elections, and the journey should begin now." Four of its leaders took prominent part in drafting the proposed Charter.

* * *

On the other hand, the administration parties are engaged in a war of attrition, draining the energies that should be focused on making the government work. President Aquino hovers above them all, above the strife, and seemingly unwilling or unable to give them coherence only her leadership can provide. She appears not to believe in the Marcos example, that is, Marcos was the unifying magnet that once united them, and with the catalyst gone and spent, the KBL broke up and scattered into feuding bands, wholly absorbed in the power game.

* * *

The PDP-Laban, United Nationalist Democratic Organization, Mindanao Alliance, Liberal Party and assorted regional parties, are hopelessly entangled in their own petty ambitions and internecine warfare. This state of affairs will not be improved but aggravated by the return to constitutional government. President Aquino will have to contend with bickering factions, an impossible situation, that bodes no good for her administration of government. It will also make inevitable a change of government toward the end of President Aquino's term. But whatever the standard, one thing is sure, the KBL will be just a memory, and new forces with a sense of historical mission, not just thrill-seeking, opportunistic politicians, will capture the popular mandate.

/9274
CSO: 4200/190

MINISTRY, OPPOSITION PARTY DIFFER OVER U.S. ELECTION

Manila PHILIPPINE DAILY INQUIRER in English 7 Nov 86 pp 1, 6

[Article by Marlen Ronquillo]

[Text] THE political affairs ministry yesterday said the Democrats' control of the US Senate "augurs well" for the political programs of the Aquino government. The opposition Partido Nacionalista ng Pilipinas (PNP), however, believes otherwise.

The ministry's "think-tank," quoting post-victory statements from leading Democrats, said Capitol Hill would now "solidly support" political solutions to problems of close allies, including the peace initiatives the Aquino government has initiated to solve the 17-year insurgency problem.

The "think-tank" said Capitol Hill would also give "less and less" preference to military solutions in dealing with grave political problems of close allies.

"The peace and diplomatic thrusts favored by the Democrats in dealing with the global problems will be translated into a solid backing to the peace initiatives of the present government," it said.

It also said there will be more economic assistance and less funds for guns and armaments.

Former Labor Minister Blas F. Ople, PNP chairman, however, claimed it is still premature to conclude that the capture of the Upper House by the Democrats would mean more support to the political programs of the Aquino government, including the soft approach to the escalating insurgency problem.

Historically, he said, the Democrats are harsher in their prescriptions to Philippine problems and the hope for a full support to the Aquino peace initiatives may not come.

"The Democrats, although historically closer to the Philippines, have been largely responsible for the grave inequalities in the Philippine-American relations, beginning with the Joint Resolution No. 90 in 1944 when they fixed our obligations to accommodate their bases on the most inequitable terms," said Ople.

A conflict between a Republican White House and a Democrat-controlled Congress "can threaten aid programs that form a keystone to the Philippine economic recovery," he said.

Ople added that the change of leadership in the Upper House could also signify a rise in protectionist measures that would further constrict access of Philippine value-added products to the US market.

With the Democrats in power, Ople also foresees a tougher discussions on the bases issue. An initial review of the RP-US Military Bases Agreement which will expire in 1991 will start in 1988, he said.

/9274
CSO: 4200/190

INQUIRER 'COMFORTED' BY DEMOCRATIC GAINS IN U.S. SENATE

Manila PHILIPPINE DAILY INQUIRER in English 7 Nov 86 p 4

[Editorial: "Friends in US Congress"]

[Text]

EVEN the top leaders of the Republican Party, especially Majority Senate Leader Bob Dole, have already admitted the Democrats' capture of the Senate. The result is Democratic Party control of both Houses of the US Congress.

Not even the positive assertion by White House spokesman Larry Speakes that President Ronald Reagan does not intend to be a lame duck, the "Great Communicator" may have to dig deeper into his bag of tricks to elicit cooperation from American legislators.

Worse, he may find it increasingly difficult to stem the pack of potential Democratic presidential hopefuls from reviewing his present and future policies with increasingly critical attention.

What made the Republican debacle an interesting political study was the failure by Reagan to turn the tide in favor of his partymates. He had tried to convert it into his personal battle. As a wire agency reported, Reagan traveled 25,000 miles during the past two months, and made 26 campaign speeches in 16 states to assure Republicans retain control of of the Senate.

The results do not necessarily mean that Reagan has lost his popularity. But the dramatic capture by the Democrats of the Senate, Reagan's main concern the past 18 months, may very well signal a two-year battle for the US Presidency two years hence.

In short, there is strong possibility that his pet programs, such as his controversial Nicaragua policy, Star Wars, and budgetary programs will encounter increasing difficulties in the next legislative session.

But of what importance are the results of the US elections to the Philippines and Filipinos?

A cursory review of the past shows that the populist Democrats had shown more sympathy to Philippine concerns. Most opposition leaders who fled the country after Martial Law can attest to the fact that they found more friends among the leaders of the Democratic Party than among the Republicans.

Still fresh was the waffling by President Reagan over the results of the last presidential election. More recently, it was Majority Leader Bob Dole who spearheaded the two defeats suffered by the $200-million aid bill for the Philippines that had breezed through the lower House. In fairness, he also crafted the compromise measure that eventually received the Senate bipartisan nod.

We must not, of course, pin our hopes for a brighter future on the US. The responsibility of charting our destiny is ours. But it is certainly comforting to know that we have more friends in the upper echelon of American policy-makers.

/9274
CSO: 4200/190

PCGG LACKS EVIDENCE IN ENRILE PROBE

Manila PHILIPPINE DAILY INQUIRER in English 7 Nov 86 pp 1, 10

[Article by Jerry Esplanada: "Hidden Wealth Probers Say Enrile Is 'Clean'"]

[Text]

GOVERNMENT "hidden wealth" probers yesterday said there is nothing to investigate about Defense Minister Juan Ponce Enrile.

Presidential Commission on Good Government Deputy Minister Raul Daza told newsmen in yesterday's briefing they do not have in their possession any document on ill-gotten wealth incriminating Enrile.

Daza said, however, "I am not saying the matter is closed. Show us any evidence and we will not hesitate to act on it in accordance with law and due process."

Reacting to reports saying the US Justice department and the PCGG are conducting a joint probe on Enrile's alleged ill-gotten wealth, Daza said the commission has not been officially informed by the US government about such investigation.

"We only learned about the Department of Justice probe in the newspapers," Daza said.

When asked about the Amworld-Raymond Moreno case which was recently turned over to him by Minister Jovito Salonga, Daza said it is still under review.

He declined comment on allegations that the PCGG is "soft" on the firms believed fronted by Moreno for former AFP Chief of Staff Fabian Ver.

Three of the telecommunications firms — ESI, Radionet Inc. and Liberty Broadcasting Network, Inc. — were the subject of a sequestration order which was not served by the commission for still undisclosed reasons.

The same firms have been linked to the misappropriation and diversion of US military funds to the government which is being investigated by the US justice department and Pentagon.

Meanwhile, PCGG Commissioner Mary Concepcion Bautista disclosed yesterday that they have ordered the probe on the reported removal of P1.9 million worth of textile and other items from the sequestered garment firms Golden Needle and HE Hikcock.

Greggy Araneta and his wife, Irene Marcos-Araneta are the owners of the two companies located at the National Housing Authority industrial estate in Dasmarinas, Cavite.

Bautista also announced yesterday the resumption of the commission hearing on the Bulletin Publishing Corp. case on Monday Nov. 10.

Meanwhile' in Honolulu, the Philippines consul general in Hawaii said Tuesday Juan Ponce Enrile should take a leave of absence. He also called on the United

States to investigate Enrile's financial dealings when the man was an aide to deposed president Ferdinand Marcos.

"Enrile has successfully created the impression, the image, that the Philippines, under the leadership of Ms (Corazon) Aquino, is on the verge of a coup de'etat, being threatened by an imminent communist takeover, on the brink of collapse, a government in chaos and corruption, or simply being torn apart," the consul, Tomas Gomez III, told the Honolulu Kiwanis Club.

"As an officer in a foreign service outpost of my country, I find his behavior not only counterproductive but irritating and disconcerting. It has made our job doubly difficult."

He said Enrile's "Rambo rhetoric" and the international media attention it has earned have become an information obstacle course for overseas Philippines officials.

In calling for an investigation by congress and the department of state, Gomez said Enrile should be "given every opportunity to blow away the clouds over his personal integrity. In the meantime, I submit that the only decent reaction to assume is for him to take a leave of absence, since he would not resign, until his name is cleared with finality."

/9274
CSO: 4200/187

COLUMNIST URGES ESTABLISHMENT TO UNDERSTAND CPP CONCERNS

Manila PHILIPPINE DAILY INQUIRER in English 7 Nov 86 p 9

["Think It Over" column by David Sycip: "'You Can't Trust the Communists'?"]

[Text]

THIS is not a brief for the communists, whether international or local. Neither is it an attempt to present their "case." Rather, it is a plea to all concerned with the Aquino administration's efforts to bring peace with social justice to our country so that it may finally wisely and justly use our God-given resources, instead of squandering them in selfish power-seeking schemes and actions where the people are used as instruments rather than as the objective of service, political rhetoric notwithstanding.

If President Aquino's national reconciliation efforts are to succeed, both sides — the government as well as the communists (whether the NDF, the CPP or the NPA) — must divorce themselves from one-line "frame-of-mind" evaluations of how to achieve national reconciliation.

Perhaps a look at the often repeated line, "you can't trust the communists" — reportedly used by U.S. President Ronald Reagan in his private meeting with President Aquino — will help all concerned to gain a broader, and fairer, perspective of objectives and concerns that should be taken into account.

First, the objectives. There is no quarrel between the Cory Aquino Administration and the communists on overall national goals: a prosperous, self-reliant nation with equal economic, social and political opportunities for all, but with safeguards to prevent anyone or any group from hogging any of the above opportunities. The differences arise from *how* the above objectives are to be achieved. The government can fairly point to many cases where a communist government's record at achieving the above objectives have been dismal. But the communists can just as fairly point out that some 40 years of "democracy," Philippine style, has hardly even begun to improve the lot of the masses, and that therefore there *is* need for some basic changes. There clearly is need to have good-faith dialogues to sort out the "how," even if agreement on the objectives is substantial.

Next, the concerns. Both sides can cite cases to show where either the government side or the communist side have reason to be concerned about the other side's trustworthiness. Since we are all quite familiar with the number of in-coalition-with-communists governments that were subsequently forcibly taken over by the communists, this concern is clearly a valid one.

But to gain a balanced perspective, we should understand that the communists, whose mirror view is that "you can't trust the establishment," also have valid reasons for distrusting the government.

Abroad, for example. The victorious allied powers of World War I had actually sent an expeditionary force into Russia in a futile attempt to squash the Marxist-inspired revolution. And in this part of the world, Generalissimo Chiang Kai-shek, lead-

ing the Kuomintang (the ruling party then) in an alliance with the communists, had turned on the communists suddenly and literally decimated their ranks (killing, among the many, Mao Tse-tung's first wife). And the present Singapore government had come into power under at least a tacit alliance with the communists (the ruling party, the People's Action party, considers itself a socialist party), but had then jailed the communists as subversives. We cite the above not in criticism, but to urge those who wear the "you can't trust the communists" blinders to understand that there is a mirror blinder that the other side is wearing.

And, locally, we must understand that until we can demonstrate that elections need not be won by "guns, goons and gold" (a phrase invented, incidentally, by the establishment politicians themselves) it will be difficult to persuade the communists to give up their arms, which even if not used against the government directly, may be perceived by them to be necessary to counter-intimidate voters (or even to protect the ballots from goons in the service of establishment politicians). This is not intended as an argument in favor of the use of guns and goons in electoral contests, but it does suggest that the concern of the communists about the fairness of the electoral process they are asked to peacefully participate in does have a valid basis.

How can we resolve the concerns of both the government and the communists, so that the latter can be persuaded to seek political power thru ballots rather than thru bullets? Think it over — and help resolve the impasse.

/9274
CSO: 4200/187

TOKYO AID FLOW INHIBITS HIDDEN WEALTH PROBE

Manila PHILIPPINE DAILY INQUIRER in English 16 Nov 86 p 4

[Article by Luis D. Beltran in the "Straight From the Shoulder" column: "One of the Best Kept Secrets: FM Cronies' Huge Yen Deposits"

[Excerpts]

ONE of the best kept secrets during the Aquino visit to Tokyo was the discovery by some Cabinet Ministers of huge Yen deposits put in by some Marcos Cronies.

The Japanese banking system is fully as secretive as Switzerland, and the Aquino officials concerned simply stumbled on the fact that there were billions in Yen stashed away in Tokyo by the Marcos Cronies. In addition, some Marcos men have considerable stock and real estate holdings. However, the investigation into this form of Hidden Wealth has been temporarily stopped, because the Japanese government has dropped not too subtle hints that it could affect the flow of Japanese foreign aid to Manila.

If you are wondering why the Japanese government is so touchy on the matter, one of the open secrets in Tokyo is that the son-in-law of a high Japanese official was involved in kickbacks given to Marcos for a contract to build a dam in the Philippines.

The story as to who came up with the news about Japanese kickbacks while President Aquino was in Japan is starting to clear up. It seems that the story came out of a hearing being conducted by PCGG Commissioner Raul Daza, who thought he was going to hear evidence presented against a Chinese Crony of Marcos. To Daza's horror, the solicitor-general's office began to present evidence on the Japanese kickbacks during last Monday's hearing. Newsmen covering PCGG report that apparently, the Solicitor-General's office had decided to present a different case after learning that the Chinese Crony was sending feelers to turn State witness. Newsmen say that Daza even went to the assistant solicitor-general representing the government side and scolded him for "embarrassing the President, who is in Tokyo" – which prompted the government lawyers to hastily call for a postponement. Unfortunately, some other newsmen had already got the news – and decided to run the old story anyway. Now Daza is being set up by Palace boys for the kill in another scene from the Byzantine court.

/9274
CSO: 4200/187

AQUINO URGES BARANGAY CAPTAINS TO SUPPORT CONSTITUTION

Manila PHILIPPINE DAILY INQUIRER in English 18 Nov 86 pp 1, 8

[Article by Nick Gumabay and Ike Arevalo]

[Text]

PRESIDENT Aquino yesterday called on all local officials to work for the ratification of the proposed Constitution, saying this is one way of protecting the hard-fought freedom the people won during the February revolution.

"It is your duty . . . to support the Constitution that reflects the ideals of the Filipino people as the approval of the same will serve as a direction for achieving greater heights in our pursuit for a better life," she told some 900 Manila barangay captains who called on her at Malacanang.

Ms. Aquino's appeal came hours after Local Governments Minister Aquilino Pimentel Jr. warned that officer-in-charge found campaigning against the draft Charter will be subject to sanctions or summarily removed from office.

"It would be foolish not to impose discipline on OICs working against the Charter," Pimentel told newsmen yesterday morning.

In her remarks, Ms. Aquino also called on the local officials to conduct information campaign in their respective areas to enlighten their constituents on the various issues involved.

The Manila barangay officials, comprising the city's Association of Barangay Captains (ABC), were led by Deputy Local Governments Ministers Nenita C. Daluz and Hjalmar Quintana. Also with the group were Metro Manila acting governor Joey Lina, Acting Manila Mayor Mel Lopez Jr., Vice Mayor Danny Lacuna and ABC president lawyer Tagumpay Eusebio.

During their call, the barangay officials presented four resolutions to the President seeking her approval for the use of a portion of the Luneta Park for the barangays to raise funds to support their anti-drug campaign.

The others sought Ms. Aquino's assurance for their tenure of office while still another asked that they be deputized and be given authority to carry firearms for their use in fighting insurgency or protection of their constituents.

The President (referring to the resolutions) said she will study them and refer these to her legal staff who will look into its implementation.

The President also asked the barangay officials to help the Commission on Elections in the forthcoming registration of voters and to purge the list of "flying voters" to insure clean and honest elections.

In urging all OICs to toe the government line, Pimentel said "It would be awkward for them not to support the Constitution which could mean a re-alignment of forces."

/9274
CSO: 4200/187

COLUMNIST QUESTIONS U.S. ATTITUDES TO NDF

HK031056 Quezon City BUSINESS DAY in English 3 Dec 86 p 4

["Here and Now" column by Francisco S. Tatad: "Q Question for Washington"]

[Text] The way we have accepted the fact of the National Democratic Front [NDF] setting up official headquarters in Manila is either a tribute to our political maturity or a true measure of our illusions.

In previous times, the pastors of the Church would have been eager to make a distinction between making peace with communists and [garble] not to be seduced by the attraction of communism. Today they would not embroil themselves in anything so old-fashioned. For as long as tvarcos ruled, our benevolent American friends saw no limit in warning us about the seriousness of the communist rebellion. Today, they are suddenly absolutely equanimous, and point to other dangers. Mrs. Aquino wants peace, and because we support her, we oblige ourselves to quench any criticism of anything having to do with her peace process, even if peace merely means the absence of war.

What is happening?

Having signed a ceasefire agreement, we now look forward to working out a political settlement. But we seem quite unwilling to exert the necessary effort to make sure that our idea of social change, rather than that of the NDF, acquire a life of its own among our people. There seems so much confidence that our authentic social and political values will prevail over those of the communist movement without our doing anything at all. It is absolute nonsense.

As the government and the NDF explore the possibility of ending the armed conflict, we have the right to ask those representing us in these negotiations, which view of the world -- of man and society -- will prevail? Is it the Marxist view, or the Christian view of man? This is the crux of the struggle.

It is essential that we have a correct appreciation of the real meaning of what is going on. Is this simply Presdient Aquino's celebrated peace process, aided by Jaime Cardinal Sin's 100 days of prayer, and finally bearing fruit in the form of insurgents coming down from the hills to the negotiating table? Are we not at the same time witnessing a public embrace between anti-communist United States and Philippine communism?

This question is not an exercise in absurbity or provocation. In an address at Brown University in Providence, Rhode Island last September, U.S. Undersecretary of State Micahel Armacost said: "Nationalism can be a principal ally in containing the extension of Soviet influence -- even when that nationalism is communist. In Yugoslavia and China. Tito and Mao mobilized their partisans behind the banner of nationalism as well as communism; they enlisted broad local support and improvised their own strategy for attaining power ... Their nationalism precluded subservience to any foreign power -- including the Soviet Union."

Supposing the United States has, in fact, already decided that the NDF, which includes the communist Party of the Philippines and the New People's Army, is nationalist (therefore anti-Soviet) and communist at the same time, is it remote to assume that it has also decided to support it, even at the expense of non-communist or anti-communist Filipino nationalism? Is there no danger that the Filipino anti-communist would be left fighting a solidarity fight, after the great anti-communist champion has decided to distance himself from him?

Is this something we should fear happening in the future, or is it already happening? This is something the President should be interested to find out from the U.S. State Department. But given her tendency to be neutral on this question, I would like to ask it in my own name as a Filipino citizen, and in the name of other Filipinos who wish to preserve the purity of their nationalism. Our neighbors in ASEAN would do well to do the same. Mr. Armacost, is this what is happening in the Philippines?

About a year ago, the NDF read a statement to the visiting TIME magazine news tour group in which it said it was ready "to talk business" with U.S. mulinationals. The group thought it was straight out of Hill and Knowlton, the U.S. giant public relations firm. That was not an isolated instance. In his joint interview with NDF co-negotiator Tony Zumel, Satur Ocampo told NEWSWEEK in its issue of Oct. 20, 1986: "We are open to certain options. Unless the revolutionary forces took power, we would be unable to undertake the removal of the bases. Even then, whether we would have the physical capability to drive them out is questionable. We do not even rule out the possibility of political negotiations with the United States.

That certainly was heresy, but it is remarkable that until now neither the CPP, the NPA, nor any of the front organizations, has denounced Ocampo for abandoning the old party line. How come? Why? Is it because they are committed to a process that may already have begun? Is the NDF now about to talk business, or actually talking business with the Americans?

/12624
CSO: 4200/191

OPPOSITION COLUMNIST COMPLAINS OF GUN-TOTING REBELS

HK021125 Manila MANILA BULLETIN in English 2 Dec 86 p 4

[From the Column by Orlando F. Aquino: "Guns Galore"]

[Text] We wish to draw the immediate attention of government authorities on the highly dangerous situation brought about by the carrying of firearms in public places by members of the rebel forces and the urgent need for taking strong preventive action to assure the people of their security and safety.

We first expressed these fears when Nur Misuari took along his heavily armed followers during his co-called "consultation" trips purportedly to sound out the views of his "constituents" in Mindanao but which turned out to be an opportunity for a show of force.

Last week, we saw Fr. Conrado Balweg take over the Masion House in Baguio City with also his heavy armed followers in tow and the event was flashed on all the TV screens.

And now it seems that the ceasefire agreement signed between the government and the communist National Democratic Front (NDF) is also about gun-toting by the communist rebels. In the light of the Misuari and Fr. Balweg experiences, we feel duty-bound to bring up the matter which, to our mind, is of great public interest because it involves peace and order.

Moreover, even assuming that the rebels live up to the truce agreement and keep the peace, such a situation can be taken advantage of by criminal elements to commit holdups and robberies or by certain forces bent on sabotaging the peace talks -- and then blaming it on the rebels.

As it is, there is no way of distinguishing the rebel from the ordinary citizen except for the fact that he is armed. But then who would dare ask him if he has a permit to carry the firearm?

/12624
CSO: 4200/191

JAPANESE KIDNAPPED 4 DECEMBER RESCUED BY POLICE

HK041319 Hong Kong AFP in English 1324 GMT 4 Dec 86

[Text] Cebu, Philippines, 4 Dec (AFP)--A Japanese man living near this central Philippine city was kidnapped but rescued by police Thursday, a friend of the victim said.

Five men abducted Hiroshi Ito, 34, from Moalboal town near Cebu City at dawn Wednesday nad later made a call to his friend Shoichiro Kira demanding a ransom of 100,000 pesos (5,000 U.S. dollars), Mr. Kira told reporters.

Police said they rescued Mr. Ito from a hotel in nearby Lapu-Lapu city shortly after noon Thursday and arrested one of the kidnappers.

The incident came nearly three weeks after the still unresolved kidnapping of Japanese Businessmen Noboyuki Wakaoji near Manila.

Mr. Kira said the kidnappers told him they had kidnapped his friend because he had entered the Philippines illegally. Mr. Ito was a tourist from Yokohama, Japan when he came to the country three years ago, Mr. Kira said.

Mr. Ito was brought to the regional military headquarters here and was debriefed by Japanese Embassy officials, who refused to comment on the kidnapping or on Mr. Ito's residential status.

Asked how he felt after his ordeal, Mr. Ito said in the local dialect, "I'm hungry."

/12624
CSO: 4200/191

NDF NEGOTIATORS RENT OUT PRESS CLUB OFFICE

HK031303 Manila THE MANILA CHRONICLE in English 3 Dec 86 p 2

[Text] An office whose occupants have yet to be ejected for unpaid rent and too small that it can't accommodate six tables will be the headquarters of the National Democratic Front (NDF) during the negotiations in the cease-fire period.

The NDF office is likely to be at the mezzanine floor of the National Press Club [NPC] building in Intramuros which is now occupied by the Press Photographers Association of the Philippines.

Arturo Borjal, NPC president, said he had accepted NDF's request to lease office space at the NPC building. However, the lease will still have to be endorsed to and approved by the NPC board.

NDF negotiators Satur Ocampo, Antonio Zumel and Carolina Malay said they have chosen the NPC building because "it is centrally located and would be easily accessible to those of our people who have business with us."

Ocampo, Zumel and Malay are former newsmen. Zumel and Ocampo have served as president and vice president respectively of the NPC.

The three-story NPC building is in the center of Manila and along jeepney routes. The third floor is occupied by the NPC, the International Press Center occupies the second floor and the groundfloor has been leased to several communications firms.

Borjal said he accepted the NDF's lease offer to serve as a concrete symbol of the journalistic community's desire and contribution to have lasting peace.

The NDF negotiators "are our colleagues who have contributed their share to Philippine journalism" he added.

/12624
CSO: 4200/191

GOVERNMENT HANDLING OF NON-COMBATTANTS VIEWED

HK031401 Manila MANILA BULLETIN in English 3 Dec 86 p 6

[Editorial: "Handling of Non-Combatants"]

[Text] One of the factors that contributed to the widening of the base of the insurgency was the maltreatment of non-combatants by government soldiers in the rebel-infested towns. Even during the martial-law years there were media reports of military abuses committed against innocent folk. We can recall whole families being liquidated by soldiers because a son had joined the rebels. Innocent youths on their way to play basketball were killed on suspicion they were rebels.

Probably, the sensitive souls in those remote places would not have been as deeply hurt if only the rebels themselves had been killed. They would have conceded that it was fair enough. But any decent person would have been outraged by the killing of non-combatants on grounds they were relatives of a rebel.

Such acts of cruelty drove many young men to the hills. In later years they were to inspire the formation of the Presidential Committee on Human Rights.

The mindless acts of the past are pointed up in order to stress that they are no longer being committed and that, therefore, there is one reason less for insurgency. The fact might have contributed to the cease-fire arrangement.

The rebel leaders should not ask too much of the government. The attitude of the government toward the rebellion problem has undergone a 180-degree turn -- from an attitude of unrelenting cruelty to one of compromise -- and that makes a lot of difference in any language, but especially because the blood of human beings is at stake.

/12624
CSO: 4200/191

SURVEY: ALMOST 33 PERCENT OF MANILA MIDDLE CLASS FAVOR NPA

HK021255 Manila MANILA BULLETIN in English 2 Dec 86 pp 1, 9

[By E. T. Suarez]

[Text] Metro Manila residents have mixed views about government efforts to find a peaceful solution to the insurgency problem but believe that economic and social reforms are the best way of dealing with it.

This is indicated in the results of a survey conducted by the University of Sto. Tomas Social Research Center on issues affecting the country for a better understanding of the present situation.

The survey showed that 41.76 percent of the respondents believes that there is a "small" chance of a peaceful solution with the New People's Army (NPA), while 38.88 percent says it has a "fair" chance and 18.09 percent says there is a "large" chance.

Only 5.85 percent of them favors an all-out military campaign against the insurgents as against 47.34 percent that believes in the use of economic and social reforms to solve the problem.

A large part of Metro Manila residents do not believe in the "justness" of the cause of the new People's Army (NPA), Moro National Liberation Front (MNLF), and the Cordillera People's Liberation Army (CPLA).

On the NPA cause, 65.25 percent of the respondents says it is unjust as against only 32.85 percent in its favor; 72.09 percent is against the MNLF, and 52.38 percent against the CPLA.

On President Aquino's peace initiatives, 32.51 percent believes she is on the right track but 33.96 percent disagrees with her approach, with 9.27 percent diagreeing completely.

Regarding the plan to ask the help of the United States in solving the insurgency problem, 27.24 percent of the respondents says it is not necessary with 19.18 completely disagreeing with the idea. Some 15.49 percent of the respondents is undecided on the issue.

On the proposed legalization of the Communist Party of the Philippines (CPP), 78.04 percent of the respondents does not favor the idea, with only 21.94 percent in favor.

On whether the country is a pre-civil war scenario, some 50.45 percent does not believe so, conveying the impression that majority of Metro Manila residents support President Aquino's efforts to exhaust all peaceful means, reconciliation and structural reforms to solve the insurgency problem.

"The people appear to be fairly optimistic on the outcome of President Aquino's peace initiatives," the survey said.

On the issue of abortion, some 69.66 percent opposes its legalization with 8.37 percent expressing agreement with the idea.

With respect to foreign participation in the country's economy, a large majority of Metro Manila residents are in favor of giving the Filipinos the upper hand. Some 35.01 percent of those who responded to the survey wants the 60-40 ratio in favor of the Filipinos, while 38.61 percent says it should be 75-25 for the Filipinos. Only 7.92 percent favors other ratios.

Regarding the draft constitution, some 52.6 percent of the respondents believes that it will be approved in the Feb. 2 plebiscite, with only 16.66 thinking otherwise. Some 30.72 percent remains undecided at the time of the survey.

Apparently, Metro Manila residents do not believe a military coup is still possible at this time. Some 62.64 percent responded positively that the coup is unlikely with only 35.49 believing that it is still possible.

One communist takeover, a high 76.41 percent says it is unlikely and only 22.25 percent says it is likely.

On the possibility of a civil war, 69.75 percent of the people in Metro Manila says it is unlikely. Only 28.37 percent thinks otherwise.

The people in Metro Manila (73.6 percent) also believe that deposed President Marcos are [as published] no longer return to power. Only a measly 25.40 percent believes that the former president is still capable of returning to power.

Depsite the controversies generated by the appointments of OIC's [Officers-in-Charge] by Local Government Minister Aquilino Pimentel Jr., only 37.74 percent believes that the previous mayors are better than the OiC's. Some 29.99 believes otherwise with 30.09 percent expressing no opinion.

When asked on what they consider is Metro Manila's main problem, some 60.99 percent says it is garbage collection.

On peace and order, some 42.79 percent disagrees that Manila is safer now than it was before the February revolution, in fact, 30.90 percent says the police are not doing anything to stop carnaping.

/12624
CSO: 4200/191

COLUMNIST REVEALS 'REFORM NPA' MOVEMENT

HK021321 Manila THE MANILA CHRONICLE in English 2 Dec 86 p 9

["A Manner of Speaking" column by Arlene Babst-Vokay: "NPA Must now Clean House"]

[Text] Now that the cease-fire agreement has been signed, both the New Armed Forces of the Philippines (NAFP) and the New People's Army (NPA) should use the time not only for the obvious activities of shoring up their respective defenses but also to do a little house-cleaning.

Neither army comes close to being a model of discipline and compassion. On the contrary, both have been roundly accused of human rights violations, from torture to rape and robbery. The Presidential Commission on Human Rights is there to push for investigations into NAFP violations during the dictator's regime. A corresponding body should be formed by the NPA.

The need for drastic reforms in the NPA was highlighted last September by the brutal torture and murder of NAFP Lt. Col. Rex Baquiran. Many sympathizers of the rebel army were appalled by the crime and alienated form the men who might once have been regarded as the local versions of Robin Hood. It was reported that several high-ranking members of both the NPA and the Communist Party of the Philippines (CPP) were very upset over the Baquiran torture, and called for some soul-searching of their own, especially after the NPA command operating in the area where Baquiran was killed claimed responsibility for the killing, without giving any explanation for the brutality that accompanied it.

The second major occasion for reassessment in the NPA came with the disclosure by former rebel Victor Corpus that he had information supporting the accusation that the Plaza Miranda bombing of 1971 was planned by top CPP leaders Jose Ma. Sison, Bernabe Buscayno and Jose Luneta, and executed by members of the NPA. Though Corpus' revelations got buried in the threats of a coup, they, nevertheless, shocked people who had all along accepted the popular belief that Marcos had planned that crime. To support Corpus' claim, some of his former comrades in the NPA tried to circulate the following letter but it, too, got waylaid by coup rumors. Here it is in full, our own copy handed to us by a former NPA commander himself:

"Comrades and friends: We address this letter to the leadership of the CPP-NPA and to those comrades-in-arms who were part of the original Isabela command. You know who we are.

"Our comrade Ka [comrade] Eming (Victor Corpus) has spoken. Regardless of the seemingly unfortunate timing of the revelation, the essential truth remains. We know that the contents of Ka Eming's letter (to Pete Lacaba) are all true. We know that before, no one had the guts to do what he is doing.

"We have also heard the vehement denial of Ka Dante and Joema [Sison]. We read the statement of Ka Roy (refuting Corpus' claims).

"When do we stop peddling lies to the people whom we claim to be our masters? When we joined the revolutionary movement, we thought we joined a force superior morally, ideologically, politically, to the reactionary government which we sought to overthrow.

"Now that our 'skeletons' are being exposed, why are our leaders acting just like the forces of reaction? Why do we lie shamefacedly to the people? Why do we allow younger comrades, who are not told the truth, to villify the character of Ka Eming? Why do we put personal and political expediency above conscience and truth?

"We call on all men and women of goodwill who have been and who are still with the NPA to stand up for truth and justice. Truth is in the service of the revolution. Lies and hypocrisy serve only careerists and opportunists in the people's movement for national liberation.

"Reform the NPA!"

The letter was signed: "Former commanders and cadres of the NPA." Will its call for reform be heeded?

/12624
CSO: 4200/191

NDF-PANAY DEMANDS DISMANTLING OF PRIVATE ARMIES

HK021204 Quezon City ANG PAHAYAGANG MALAYA in English 2 Dec 86 p 3

[Text] Leftist rebels in Panay are demanding the dismantling of at least 14 private armies, fanatical and civilian militia groups in this Western Visayas island following the forging by the government and the National Democratic Front [NDF] of an unprecedented 60-day ceasefire agreement which takes effect next week.

In a November statement in Daba-Daba [translation unknown] the official newsletter of NDF-PANAY, the local insurgents expressed their support to the truce pact which they hope would lead to a "relatively permanent peace built on justice, freedom, democracy and genuine freedom."

The local coalition of leftwing underground groups said, however, favorable climate for a meaningful dialog can be achieved only if the government institutes four basic reforms, including the disarming of private armies and fanatical groups.

NDF-PANAY identified those with private armies in the island as fugitive Assemblyman Arturo Pacificador, former Congressmen Jose Aldeguer and Pascual Espinosa of Iloilo; Ramon Locsin of President Roxas, Capiz; and Asur Salcedo of Sara, Iloilo.

It said the government should also disarm the fanatical sects "Alpha Omega" in Tapaz, Capiz and the Pentecostal in Libacao, Aklan and at least 7 civilian militia units islandwide.

The NDF-PANAY said the CHDF [civilian home defense force] units include those led by a certain Porping Cataluna and Freddie Jimenez in Calinog, Iloilo; Avelino Dale in Libacao, Aklan; Manuel Nosas in Sibalom, Antique; Sgt. Bebot Lomugdang in Sabaste, Antique; and other CHDF units in Janiauy and Calinog, Iloilo.

The communist underground also asked the government to remove all AFP detachments and checkpoints in interior town centers and tactical and advance command posts spearheading counter-insurgency operations.

Since the ceasefire pact is an initial step in achieving lasting peace, NDF-PANAY said the second phase of the negotiations should tackle 12 basic problems.

These include the review of all military and economic treaties with the United States and other foreign governments and the implementation of genuine land reform.

The talks should also cover, it said, national industrialization, repeal of all remaining repressive laws and decrees, guarantees for the rights of the national minorities for self-determination, release or remaining political prisoners and the rehabilitation and indemnification of all victims of military abuses under the Marcos regime.

/12624
CSO: 4200/191

SOUTH COTABATO UNIDO, PDP-LABAN OFFICIALS JOIN LAKAS

Manila MANILA BULLETIN in English 7 Nov 86 p 5

[Text]

GEN. SANTOS CITY — Provincial, municipal, and city officials of South Cotabato and General Santos City under the Unido and PDP Laban unanimously agreed here yesterday to join President Aquino's Lakas ng Bansa coalition in a show of support for her leadership.

The leaders of the two parties said that the objectives enunciated by the Lakas coalition are all in line with their individual beliefs and aspirations.

Among these objectives, according to them, are the urgent need to constitutionalize the present government for practical purposes and support for President Aquino's current programs and policies.

Hilario de Pedro III, mayor-designate of the capital town of Koronadal and president of the mayors' league of South Cotabato, said "although the 1986 constitution has its own defects, we must leave that for the Congress to make appropriate amendments.

"Let us not begrudge the means the proposed constitution was made but the results it has produced. It is far better than any constitution the Philippines ever had," De Pedro said.

Deputy Labor Minister Rogelio Garcia (PDP Laban) and South Cotabato Gov. designate Ismael Sueno (Unido) presided over the gathering. (Rey Cartojano)

/9274
CSO: 4200/190

CPP'S SALAS DISCUSSES MINDANAO NPA KILLINGS

Quezon City ANG PAHAYAGANG MALAYA in English 18 Nov 86 pp 1, 7

[Article by Sonny Lopez]

[Excerpts]

Captured rebel chieftain Rodolfo C. Salas yesterday confirmed reports of killings committed by rebels in Mindanao and said those who committed the atrocities had been punished.

Salas told Malaya in an exclusive interview at his maximum security cell in Camp Crame the killings were made because the underground movement was infiltrated by what he called deep penetration agents (DPA).

He further said the atrocities must be reportedly open to prevent similar mistakes in the future by his comrades in the hills.

Salas said he had formed an investigative group to probe the atrocities and ordered a stop to the killings in southeast and northeast Mindanao last year.

He said the killings were wrong because investigations of the alleged DPAs were carried out haphazardly and that even the innocent were among those included in the executions.

It would be a net loss for the New People's Army, Salas said, if it loses the people's confidence.

He said the people's welfare is the top consideration of the NPA, whose armed strength has been estimated to be 23,000.

The subsequent investigation of the killings yielded positive results, among them the ferreting out of those who committed the atrocities who were either demoted, disarmed, fined and given the death penalty, Salas said.

He said a regional commander of the NPA who was found guilty was executed but did not provide his identity.

Families of the victims, Salas said, were given compensation in cash and in kind to atone for the mistakes.

On Olalia's murder, Salas said it is "a warning, a selective assassination and harassment by the militarists to instill fear on those who are fighting for the rights of the masses."

"By killing Olalia, the militarists showed that they can kill at will anybody who dares to stand up for their rights," he said.

Salas said that military men should not be included in the investigating body created by President Aquino to look into the Olalia's murder, because they are the logical suspects in the murder.

The body must be composed of civilians together with the National Bureau of Investigation agents, he said.

Salas said that Olalia's murder was preceded by three months of black propaganda directed against the Kilusang Mayo Uno and the Partido ng Bayan which the slain labor leader headed.

/9274
CSO: 4200/190

PAPER SAYS MILITARY STRONGER SINCE COUP

HK021327 Manila THE MANILA CHRONICLE In English 2 Dec 86 p 9

[By Luis Teodoro, PHILIPPINE NEWS and FEATURES]

[Text] A week after the failed coup that led to the removal of defense minister Juan Ponce Enrile and his replacement by retired Lieutenant General Rafael Ileto, it was the emerging consensus in Manila that the Philippine military had survived the crisis stronger than ever, with its place secure in the Aquino Government, and its counsel likely to be sought in the future.

General Fidel Ramos, who averted a confrontation between a faction identified with Mr. Enrile and forces loyal to the Aquino presidency, has become a popular figure for having foiled the efforts of that faction to unseat one of the most popular Philippine presidents since independence in 1949.

The replacement of Enrile and the appointment of Ileto at the same time removal the last, most visible trace of Marcoisist taint from the defense ministry leadership, and almost overnight renewed flagging hopes that the military could again be as removed from partisan politics as it was before Mr. Marcos turned the 250,000-strong Armed Forces into his virtual private army. Ileto, a close family friend of the Aquinos, and a graduate of West Point, was considered too professional to agree to this process during the martial law period. He was bypassed by Mr. Marcos for the post of Chief-of-Staff and exiled to Thailand and Iran as Philippine Ambassador.

A key factor in the sequence of events that led to the "excision" of the Enrile faction was the apparent lack of U.S. support for the "restorative" coup it was supposedly planning. Although the United States did seem anxious to appear neutral as the possibility of a confrontation between Aquino and Enrile forces escalated, its spokespersons did say that the U.S. Government was supporting the Aquino Government. This was buttressed by the sudden interest of the SAN JOSE MERCURY NEWS -- the very same newspaper that had published reports of Mr. Marcos' "hidden wealth" last year before he himself was overthrown -- in Mr. Enrile's own alleged hidden assets.

/12624
CSO: 4200/191

CORDILLERA GROUP QUESTIONS BALWEG CREDIBILITY

HK011415 Quezon City BUSINESS DAY in English 1 Dec 86 p 10

[By Carmel M. Pizarro]

[Text] Baguio City -- Rebel priest Conrado Balweg, head of the Cordillera People's Liberation Army [CPLA], is facing a "credibility" problem because of a split within the Cordillera Bodong [Peace Pact] Association (CBA), the civilian organization which supports the CPLA.

This development surfaced as 200 armed CPLA members and 200 civilian supporters arrived here from Mountain Province and Kalinga-Apayao on their way to Abra.

The CPLA entourage marked its arrival in Baguio with a march on Session Road, its members waving the yellow Cordillera flag and escorted by a military jeep that blared its siren. They later stayed at Mansion House to spend the night.

Last Thursday, CBA vice-chairman Daniel Ngayaan and CBA secretary Marcelo Fakilang accused Balweg and CBA chairman Mario Yag-ao of using the CBA and the "bodong" (peace pact) to "project themselves as top political leaders of the Cordillera."

Ngayaan and Fakilang questioned the manner by which Yag-ao aligned CAB with the CPLA without even consulting with other CBA members and in violation of the CBA constitution. They also accused Yag-ao and Balweg of "misrepresenting" the "bodong" through the false use of the Igorot peace pact in the current peace talks with the government.

They claimed that the CPLA-CBA tie-up is an "attempt to control development projects in the Cordillera." They added that the Cordillera Broad Coalition (CBC), a newly-formed organization to draw in other groups interested in peace in the cordillera, was created by the CPLA "to provide for itself a broad organization which it can use to project itself to the Aquino government for purposes of peace talks and the control of socio-economic projects."

The anti-Balweg faction also questioned Balweg's use of bodong to establish a peace pact with the Aquino government. According to them, it is impossible for Balweg and the Aquino government to forge a peace pact because the Aquino government is not at war with CPLA. They said the term "sipat" (the gifts exchanged between two warring tribes) should have not been used. They said, Balweg should have used "allasiw" which is an exchange of gifts between two tribes to form a new bodong.

Ngayaan also asked: "how can the Cordillera, which is part of the Philippines, forge a bodong with the entire Philippines?" This is not possible, he said, citing the example of Buynay in Kalinga-Apayao which cannot have a bodong with Buscalan or Ngibit tribes because they belong to the same Butbut tribe.

When informed about this revelation, Balweg told BUSINESS DAY that if these CBA members are not for CPLA, then they must be for the Communist Party of the Philippines/New People's Army.

/12624
CSO: 4200/191

MEETING BETWEEN GOVERNMENT, CORDILLERA GROUPS SUMMARIZED

HK031253 Manila THE MANILA CHRONICLE in English 3 Dec 86 pp 1, 3

[By Staff member Paulynn Sicam]

[Text] Rebel priest Conrado Balweg yesterday asked the Government to recognize his Cordillera People's Liberation Army (CPLA) as "the legitimate security force in the Cordilleras."

The demand was made on the last day of a peace conference called by the CPLA, the Cordillera Bodong Association (CBA) representing 32 upland tribes, and the Cordillera Broad Coalition (CBC), an alliance of sectoral organizations and local government officials from the five Cordillera provinces of Abra, Kalinga-Apayao, Benguet, Ifugao and Mountain Province, and Baguio City.

The meeting was held in Manabo, Abra.

Agriculture Minister Ramon Mitra Jr. told reporters that peace-keeping in the Cordilleras is already effectively being done jointly by the CPLA and the Armed Forces since a peace pact was signed in the presence of President Aquino last Sept. 13.

Retired Maj. Gen. Jose Magno, presidential adviser on military affairs, said that while Balweg's demand will be taken up as "talking point" during the main phase of the peace talks between the Government and the CPLA starting Dec. 15.

"We don't recognize any other armed forces in the country except the AFP," Magno said.

Balweg also asked the Government for a provision in the ceasefire agreement with the National Democratic Front (NDF) that would compel the New People's Army (NPA) to stay in place and not be mobile during the cease-fire period.

Balweg added, however, that the CPP-NPA and the CPLA are not at war with each other.

Magno said this request would be "adequately covered by the cease-fire agreement with the NDF."

During the meeitng, the Government formally announced the cancellation of the Chico River dam project.

"The project," Social Services Minister Mita Pardo de Tavera told a crown of uplanders, "is considered cancelled subject to disengagement from from a number of commitments made by the previous Government."

Her announcement was met with cheers and applause from the crowd, led by Balweg and Mario Yag-ao, chairman of the Cordillera Bodong Association (CBA).

The project, was to be a series of seven dams that would provide electricity and irrigation to the Cordilleras and surrounding areas.

The Marcos Government succeeded in building three of the dams over the strong protests of the Cordillera people who said the project would flood the tribes' sacred ancestral lands.

Attending for the Government were, aside from Mitra, Tavera and Magno, presidential emmissary Agapito "Butz" Aquino, Natural Resources Minister Carlos Dominguez, Agrarian Reforms Minister Heherson Alvarez, RUC I Commander Brig. Gen. Jesus de la Cruz, Abra Governor Vicente Valera, Baguio Mayor Francisco Paraan, and Education Deputy Minister Tomas Santos. French Ambassador Jacques Leclerc was a guest of honor.

After a public gathering at an elementary school guarded by the CPLA, the group proceeded to a high school secured by Government troops for a closed-door conference.

At the public meeting, the CBC demanded the creation of an Administrative regional council for the Cordilleras.

Balweg also demanded the recognition of the CPLA as "the legitimate security force of the Cordillera people."

At the closed-door conference, the Government and the Cordillera leaders agreed on the following:

-- To set up a secretariat to serve as clearing house for all activities involved in the peace negotiations.

This will be the nucleus of the administrative regional council asked for by the residents.

-- All ongoing Government projects shall continue, except for the Chico River project, and all those planned shall be immediately implemented even while the peace talks continue.

-- Mitra said that an P800 million highland development project funded by the European Economic Community and the Asian Development Bank will soon start. The CBA will act as consultants to the project.

-- Mitra said they conveyed Mrs. Aquino's wish that all Government projects in the Cordilleras be run by people from that place, with outsiders hired only when none from the area is qualified.

The Government panel for the substantive talks will be composed of six local government officials, representatives of the six ministers present, Butz Aquino and Magno.

At the public meeting, Santos announced the appointment Dr. Lucio Victor, a native of La Trinidad, Benguet, as president of the Benguet State University.

Alvarez also offered 59,000 hectares in the lowlands to resettle landless Cordillera residents.

/12624
CSO: 4200/191

AQUINO CALLS FOR 'INFUSION' OF FOREIGN INVESTMENT

OW011349 Tokyo KYODO in English 1252 GMT 1 Dec 86

[Text] Manila, 1 Dec (KYODO)--President Corazon Aquino asked foreign investors to pour "fresh infusions of capital" in the Philippines telling them that the "stage... has been well set for recovery" of the ailing economy.

"After less than 10 months, I can confidently say that the past is behind us, and the future is here," Aquino told a foreign women's business group at the Manila Hotel Monday evening.

"Even this early, the signs are good in the economy. The country's financial and economic indicators have greatly improved," Aquino said. "We have received the seal of good housekeeping from the international monetary fund... and expect to forge a reasonable agreement soon."

Government economic officials have forecast a slight upturn in the nation's economy this year after two years of negative growth. Given a measure of "political stability," a six percent growth rate in 1987 could be achieved, they said.

She also pointed out, among others, that the foreign exchange rate "has held steady," interest rates are much lower, and international reserves have risen to 2 billion dollars.

"That is the stage, and it has been well set for recovery. Now we need fresh infusions of capital to get the show really moving...," Aquino said. "The work will not be without its risks. And it will be hard. But it will, as surely, be rewarding."

Assuring the group that democracy is safe in the Philippines, she pointed out that the "people power" which ousted Ferdinand Marcos and placed her in power last February "remains very much alive."

Aquino said her government, which foiled another political challenge from right-wing groups last week, "remain tolerant of the most unfair criticism and dissent." But she warned political opponents that "our tolerance should not be mistaken for weakness."

She expressed confidence that "the transition to full democracy" will be completed early next year when a new congress and a new set of local officials will have been elected.

"We can then direct all out energies towards economic recovery and long-term growth," the 53-year old Aquino said.

/12624

CSO: 4200/191

MINISTER EXPLAINS 1987 BUDGET EXPENDITURE

HK031022 Quezon City BUSINESS DAY in English 3 Dec 86 p 2

[Text] The government's development budget coordinating committee, consisting of officials of the Ministry of the Budget and Management, the National Economic and Development Authority and other Cabinet ministries, had drawn up a working figure of P114.7 billion for next year's budget expenditure, Budget Minister Alberto Romulo said yesterday.

Romulo said the government is projecting a 1987 revenue of P94.9 billion and a budget deficit of P19.8 billion, which will have to be filled with domestic and foreign funding.

The projected expenditure is about the same as that for this year but excludes so-called "tax expenditures" -- tax exemptions that would have been granted to a number of government corporations but which will be recorded next year as subsidies.

Including these items, the overall budget for next year will be P119.7 billion; revenues will be P99.9 billion and the deficit, P19.8 billion.

Under the current program, the government has targeted an overall revenue level of P86.5 billion and a deficit of P27.9 billion which is about 4.4 percent of gross national product, the total output of goods and services.

Romulo said the government will set aside next year P 43.6 billion (38 percent of the budget) to P45.9 billion (40 percent) for debt servicing and net lending to government corporations -- referred to as "non-productive" allocations.

About 60 percent of the budget can therefore be considered productive. This year, 50 percent of the budget is budget allocated for non-productive activity.

About 23 percent or P10 billion to Pi0.5 billion of the likely budget for next year will go to paying local and foreign debts. Next lendings to the 14 major government corporations and four government financial institutions will take the remainder of the non-productive allotments.

Romulo said next year's budget would reflect a policy of "transparency" and greater linkage between planning and the budget process.

He said inclusion of tax expenditures in the budget figure would make it clear to the public how much the government is subsidizing certain state-owned enterprises.

He said the coordinating committee could not firm up the expenditure and revenue figure for next year's budget during the past few weeks as it awaited Cabinet approval of the 1987-1992 economic program.

The medium-term program was approved during the Cabinet meeting the other week.

Romulo said the thrust of the 1987 budget program would still be rural development and employment generation.

To address these concerns, he said, a close coordination between the budget ministry and the NEDA would be critical.

The proposed budget for next year provides for P8.6 billion to support the community employment and development program.

For this year, the government has set aside some P3.9 billion to support rural-based and labor-intensive activities as part of the government's program to revitalize the economy.

The final draft of the 1987 budget is expected to be discussed during the next Cabinet meeting, Romulo said.

No date for the next Cabinet meeting has been set, pending completion of the current revamp.

/12624
CSO: 4200/191

LABOR MINISTRY FIGURES SHOW STRIKES UP 55 PERCENT

HK011437 Quezon City BUSINESS DAY in English 1 Dec 86 p 6

[By Cethsemane M. Selirio]

[Text] Some 544 strikes were declared from January to Nov. 22 this year, up by 55.4 percent from the actual strikes declared in the first 11 months of 1985, according to the latest data from the labor ministry.

The ministry's Labor Statistics Service said in a report last week that only 11 strikes were declared from Nov 1 to Nov 22, reversing the trend in April when a record-high 78 strikes were declared.

Despite the decrease in strikes in the last quarter of the year -- mainly due to the incoming Christmas season -- the number of ongoing strikes was pegged at a high 66. Last year, there were only 20 pending strikes in November.

The ongoing strikes include those that are under conciliation by the labor ministry. Roughly half of the pending strikes for this month involves less than 100 workers, indicating that most of these strikes were called by unions in sweatshops or small firms.

Of the 66 pending strikes this month, 31 are from firms in the National Capital Region and 10 are from Region IV. [Metro Manila]

The number of workers involved in the strikes this year grew by 59.2 percent from last year's 102,299. The highest number of workers involved in strikes was posted in March -- a total of 41,282 for that month alone -- while November will probably have the lowest for this year with only 1,200 workers involved in strikes.

Man-days lost likewise increased by 48.9 percent from last year's 2,345,504.

Strikes in 1986, however, have relatively shorter duration than the strikes last year. In the period from Jan. to Nov. 22, the average duration of a strike was 14 days. In the same period last year, the duration was 15 days.

The number of strike notices filed this year reached 1,435, or an increase of 30 percent from last year's number of strike notices. For the month of November, only 56 notices were filed compared with the high 170 strike notices filed in April this year.

But out of the total strike notices, the labor ministry was able to dispose of 1,323. This accounts for a disposition rate of 81 percent. Last year, 1,152 notices were disposed for a disposition rate of 86.7 percent.

As of Nov. 22, however, 277 strike notices remain pending for the ministry to dispose of through conciliation or arbitration.

/12624
CSO: 4200/191

AQUINO RAISES IMPORT DUTIES ON VARIOUS ITEMS

HK021414 Quezon City BUSINESS DAY in English 2 Dec 86 p 2

[Text] President Aquino has raised import duties on several products to cushion adverse effects of the import liberalization plan on various domestic industries.

The President signed Executive Order No. 70 Nov 25 to amend the import duty rate and reclassified some of the articles under Section 104 of the Tariff and Customs Code, as amended.

She stressed these adjustments were necessary as the economic recovery program calls for the promotion of domestic production and some domestic industries would be vulnerable to strong competition from foreign products.

The order increased from 5 percent to 20 percent the ad valorem duties on the following products: meats of bovine animals, sheep or goats, swine, horses, asses, mules or hinnies and offals; from 5 percent to 10 percent on milk and grains, including fresh, preserved, concentrated or sweetened milk, and whey, guts bladders and stomachs of animals (other than fish), other animal products, dead animals unfit for human consumption, animal semen for breading purposes such as bul. semen, silkworm eggs and brine shrimp eggs for hatching for use as live feed in prawn fry culture.

Also increased were the following duty rates:

-- From 5 to 10 percent on dried leguminous vegetables, shells, whether or not skinned or split, including white beans, green peas and chick peas in bulk container exceeding 45 kilograms gross weight;

-- From 5 percent to 10 percent on flour and meals of meat, offals, fish, crustaceans or mollusks unfit for human consumption; pig iron, cast iron, and gpiegeleisen, in pigs, blocks, lump, and similar form;

-- From 5 percent to 10 percent on waste and scrap metal of iron or steel, including that of pigs or cast iron, or alloy, steel and others;

-- From 5 percent to 10 percent on shot and angular grid of iron or steel, whether or not graded, wire pellets of iron or steel, as well as iron or steel powder, sponge, iron or steel, including iron or steel powder, and

sponge iron powder; sponge iron or steel not in powder form, puddled bars and pilings, ingots, blocks, lumps and similar form of iron or steel, including puddled bars and pilings, blocks lumps and similar forms and ingots.

Erstwhile duty-free, imports of blooms, billets, slats and sheet bars (including tin plate bars) of iron or steel; pieces roughly shaped by folding, of iron or steel, as well as iron or steel coils for rerolling are now subject to an ad valorem duty of 10 percent. Sheets and plates of iron or steel, hot rolled or cold rolled which are tinned now carry a duty of 20 percent.

The President also deleted from Section 104 of the Tariff and Customs Code of 1978, as amended, the following articles: blooms, billets, slats, and sheet bars (including tin plate bars of iron or steel; pieces roughly shaped by folding, of iron or steel, and slats when imported directly by hot rolling mills for the flat rolling with prior authorization of the Iron and Steel Authority) which are imported duty-free.

Also removed from the section are iron or steel coils for rerolling when imported directly by cold reduction mills for rerolling, and those imported directly by food processors with ISA prior authorization which are duty-free.

Mrs Aquino said the rate of import duties and the classification of other articles under Section 104 of the code, as amended, which are not affected by her new order, will remain in full force and effect.

/12624
CSO: 4200/191

$6 BILLION EXPORT INCOME PROJECTED FOR 1987

HK031427 Manila THE MANILA JOURNAL in English 3 Dec 86 p 1, 11

[By Marianne V. Go]

[Excerpt] The Philippines is targeting a 34.8 percent increase in its 1987 exports to earn $6.2 billion.

This was revealed yesterday by Trade and Industry Minister Jose S. Concepcion Jr. who also announced that his ministry has drawn up a matrix of export targets by country and by product as part of its export development program.

Concepcion, who was the guest speaker during the First International Women's Networking Business Conference at the Manila Hotel, said that Philippine export products have a tremendous untapped potential with identified comparative advantage in a number of markets.

The United States remains the No. 1 market for Philippine exports accounting for 35 percent or $1.6 billion of the total $4.6 billion exports for 1985. However, exports to the U.S. actually supply less than one-half of one percent or 0.45 percent of that market which amounted to $360 million per year, the minister said.

Concepcion pointed out that of $360 billion U.S. market, 98 products have been identified which the Philippines was able to supply at $1 million worth each last year, indicating that the country has the proven capability to supply such products.

He added that U.S. imports of such products increased over three-year period, 1983 to 1985, indicating a growing export market. The U.S. he said, imported a total of $21.6 billion worth of such products last year but the Philippines was able to supply only $226 million worth or about one percent.

Out of this $21.6 billion market, there are 65 products where the Philippines is entitled to duty-free treatment under either the U.S. GSP or the GATT MFN (most-favored-nation) clause. Concepcion said the U.S. imported a total of $14.3 billion worth of such products last year but the Philippines was able to supply only $146 million or about one percent.

On the other hand, he told the delegates, total Philippine imports are down to $3.6 million as of September this year compared to $3.9 million in the same month in 1985. This was largely due to the drop in oil prices in the world market. Within this total import figure, he said, an increase of 47 percent in imports of raw materials and intermediate goods, and an increase of 24 percent in imports of capital goods, have been noted which indicates that businesses are starting to build up their resources.

Similarly, an increase of 13 percent in the value of production in the manufacturing sector for September has been noted. In the textile sector, production increased by 34.9 percent while in the furniture industry its production jumped by 75.5 percent, the minister said.

The paper industry also posted an increase in output by 19 percent while electrical machinery production grew by 35.7 percent. Industrial consumption of oil, Concepcion said, rose to 28.2 million barrels for January to September this year or nine percent more than the 25.7 million barrels for the same period last year.

/12624
CSO: 4200/191

AGRICULTURE, SERVICE SECTOR POST 3D QUARTER GROWTH

HK021232 Quezon City BUSINESS DAY in English 2 Dec 86 p 2

[By Reporter Daniel C. Yu]

[Text] Agriculture and fishery and the service sector were mainly responsible for the eocnomic growth achieved in the July-September quarter as the industry sector slowed down its downtrend, according to preliminary data of the National Economic and Development Authority.

The total output of goods and services -- for Gross National Product (GNP) -- in the third quarter amounted to P20,319 million (adjusted for effects of price changes), up 2.53 percent from P19,817 million in the corresponding period last year. The growth was the first for a quarter since the start of the crisis in 1983, although the January-September result was still below that for the corresponding nine months of 1985.

The three-quarter amounted to P65,095 million, down by 0.36 percent from P65,331 million a year ago and by 5.24 percent from P68,695 million in the first three quarters of 1984.

In the first half of this year, the GNP dropped 1.62 percent from a year ago.

In the third quarter, despite the GNP improvement, per capita GNP -- the total production of goods and services divided by the population -- fell to P362 from P 404 in the second quarter. It is the lowest recorded since 1984.

The main improvement during the third quarter was in the agriculture, fishery and forestry sector which registered a 4.91 percent growth.

Production of agricultural crops increased 5.03 percent from the third quarter of last year, livestock 11.31 percent, and fishery 8.54 percent. These more than offset a 2.49 percent drop in the forestry subsector.

The industry sector remained in a slump, recording a 2.87 percent decline. But its downtrend slacked from the 5.45 percent contraction it suffered in the third quarter of last year.

Subsectors of industry, manufacturing registered a 1.64 percent growth and electricity, gas and water, 4.79 percent.

Contradictions were recorded for the mining and quarrying subsector (13.45 percent) and construction (21.52 percent).

The industry sector contributed 33.21 percent of the Gross Domestic Product (GDP) during the third quarter. Agriculture, fishery and forestry contributed 24.68 percent and the service sector, 42.11 percent.

The manufacturing industries with positive results included the textile industry (with a growth of 27.86 percent), furniture and fixtures (22.22 percent), machinery except electrical (18.29 percent), paper and paper products (15.38 percent), miscellaneous manufacturers (14.29 percent), rubber products (13.04 percent), footwear and wearing apparel (11.67 percent), electrical machinery (9.76 percent), basic metal industries (7.51 percent), food manufactures (3.04 percent), transport equipment (2.86 percent), and products of petroleum and coal (2.11 percent).

The service sector registered an increase of 1.40 percent during the period, a slight improvement over a 1.11 percent growth a year ago.

Leading the growth in the service sector was trade which increased 3.29 percent an improvement over a 0.73 percent rise recorded during the third quarter of 1985.

Consumer demand grew at a slow pace of 0.05 percent in the third quarter. Government spending increased 2.49 percent as the government embarked on its community employment and development program.

Investments in the country, as measured by gross capital formation, increased 0.81 percent in real terms during the quarter largely a result of government capital infusion in construction activities and a rise in investments in durable equipment.

Real merchandise exports reached P4,221 million, up 22.67 percent while real merchandise imports amounted to P3,960 million, up 16.4 percent from the year-ago level.

Gross National Product and Gross Domestic Product

By Industrial Origin

1st Quarter 1984 to 3rd Quarter 1986

(at constant prices in million pesos)

	1985				1986		
Industry	q1	q2	q3	q4	q1	q2	q3
1. Agricultural fishery, forestry	6,808	6,994	4,871	7,554	7,142	6,942	5,110
a. Agricultural crops	4,217	4,182	2,543	5,465	4,514	4,233	2,671
b. Livestock & poultry	1,194	1,129	1,143	1,224	1,265	1,120	1,175
c. Fishery	1,220	1,458	984	760	1,210	1,386	1,068
d. Poytloyg11	175	225	201	105	153	203	196
2. Industry sector	7,414	7,754	7,078	6,634	7,087	6,931	6,875
a. Mining & quzyrying	450	454	446	418	407	443	386
b. Manufacturing	5,499	5,522	5,190	5,414	5,321	5,571	5,275
c. Construction	1,172	1,461	1,129	486	1,061	590	886
d. Elect, gas and water	293	317	313	316	298	327	328
3. Service sector	8,505	9,070	8,597	9,250	8,353	9,243	8,717
a. Transportation	1,196	1,281	1,205	1,271	1,215	1,318	1,192
b. Trade	3,153	3,678	3,430	3,805	3,067	3,765	3,543
c. Finance & housing	1,253	1,216	1,164	1,223	1,204	1,197	1,172
d. Other services	2,903	2,895	2,798	2,951	2,867	2,963	2,810
Gross Domestic Product	22,725	23,818	20,546	23,438	22,582	23,116	20,702
Net Factor income from abroad	-731	-298	-729	-279	-385	-537	-383
Gross national product	21,994	23,520	19,817	23,159	22,197	22,579	20,319

/12624
CSO: 4200/191

JOB CREATION SCHEME 'WAY BEHIND SCHEDULE'

HK021557 Hong Kong AFP in English 1554 GMT 2 Dec 86

[Text] Manila, 2 Dec (AFP)--Philippine President Corazon Aquino's program to create jobs in the countryside to stimulate economic recovery has fallen way behind schedule due to red tape, officials confirmed here Tuesday.

Nearly all of the 3.9 billion pesos (190 million dollars) set aside for the program was released by the budget ministry but only 107,710 jobs were created by November, the National Economic and Development Authority (NEDA) said.

A spokeswoman for NEDA, the government's chief economic planning and monitoring agency, said the 1986 year-end target was 618,000 new jobs.

Only eight percent of 16,000 projects scheduled this year were completed and 31.5 percent were being implemented by the end of November, she added.

The government's goal is to create a million jobs yearly from 1987 to 1992 mainly through roadbuilding and other public works that employ casuals.

Increased rural incomes are expected to hike demand for industrial goods, therefore acting as "pump priming" for the economy, which is expected to grow slightly this year after declining by five percent over the past two years.

A NEDA statement said much of the shortfall was due to "delays in the processing and release of funds" from ministries involved in the program to their regional and field offices which implement actual projects.

Most of the projects were to be implemented by the ministry of public works, whose head was fired by Mrs. Aquino Friday amid charges that the ministry was riddled with corruption.

/12624
CSO: 2400/191

EDITORIAL WELCOMES CONFIDENCE EXUDED BY U.S. TRADE MISSION

Manila PHILIPPINE DAILY INQUIRER in English 19 Nov 86 p 4

[Editorial: "Business Confidence"]

[Text]

THE coup rumors, the murder of KMU President Rolando Olalia, the kidnaping of Mitsui & Co. Ltd.'s Philippine manager, and the suspended peace talks have worried local businessmen who fear further deceleration of economic recovery.

However, members of the American business mission from San Francisco remain unfazed by the climate of uncertainty. Juan G. Collas, Jr. of Baker and McKenzie, leader of the first group that arrived two days ago, stressed his group is confident "about the ability of the Aquino government to hold off adverse effects on new investments."

There are several ways to confront a crisis. One is to deny its existence. The other is to cope with it. There are those to whom crisis is a challenge, an opportunity. These are the ones who take the calculated plunge, boldly seizing the initiative during a period when most prefer to settle into inaction and watchful waiting.

Apparently, these American and Fil-American business executives have perceived that the country is just passing through a series of jarring episodes. These are the inevitable phenomena that ensue from the abrupt socio-political change brought about by the February Revolution. As a result, both the favored groups and those suppressed during the past two decades adjust to the newly-won democratic space and jostle for their respective places in the sun.

By and large, we, ourselves, are responsible for telegraphing to prospective foreign investors our anxieties about local stability. These rumors circulate mostly in cocktail lounges and coffee shops. Yet the bulk of the population underneath the nervous speculations and dire prognostications of doomsayers, maintain a strong belief in the capability of the government to confront challenges to its continued existence. Besides, the series of crises seem to have steeled the resolve of most Filipinos at the center to work for political stability on a democratic bedrock and a constitutional government.

To be sure there are serious problems besetting the new administrators. Some have been tackled gradually. Others continue to defy solutions. There is much to be desired about the President's generalship of the fractious Cabinet, some of whose members seemingly do their own thing unaware of the consequences or unconcerned about the adverse results of their amateurish decisions.

But the mess of the past two decades cannot be righted in just nine months. Some mistakes and evils have become institutionalized. It will take years to exorcise them. An example is the pervasive infection of both the bureaucracy and society in general by graft and corruption. The same with diagnosed defects of our socio-economic

structures. And, of course, there is the insurgency problem and the secessionist challenge in Mindanao.

V. McNabb once pointed out that the "essential function of authority is to safeguard and develop freedom. In Plato's gold phrase, rulers should be 'craftsmen of freedom.'" Somehow, despite the formidable odds, the government has managed to keep the country together and inch forward.

Aware of both domestic and foreign hands who are bent on destabilizing the Aquino government for their own vested interests, Filipinos should work as one to prevent their being manipulated into warring against one another.

Thus, the confidence exuded by members of the US trade mission is a welcome respite from dire predictions of the doomsayers.

/9274
CSO: 4200/187

ONGPIN DISCUSSES DEBT TALKS BREAKDOWN

Quezon City BUSINESS DAY in English 17 Nov 86 p 2

[Text]

"I'm not a banker and I'm not being paid to defend the interests of the banks," said Finance Minister Jaime V. Ongpin who just returned from unsuccessful talks to reschedule a portion of the country's $14 billion commercial debts.

Meeting with business reporters for the first time since the collapse of talks in New York, Ongpin defended the government's stance to wangle better rescheduling terms.

Ongpin said he was disappointed because he had been assured by representatives of each of the 12 banks forming the committee prior to the talks that there should be no problem in the negotiations.

But, Ongpin narrated, "The way it works is that the committee meets on every component of the package presented by the Philippines. Each time it is put to a vote, one bank or two consistently objected or reserved its position on the matter," he said.

At the start of the talks, the Philippines submitted its proposal covering the rescheduling of about $3.6 billion in debts falling due after this year and the inclusion of some $5.8 billion previously restructured debts under better terms.

After talking among themselves, the banks, submitted a counterproposal which Ongpin described as "totally out of line" and which the Philippine panel rejected outright.

The banks promptly withdrew the proposal and the Philippine negotiating panel decided to wait for another week, Ongpin said. As the days dragged on, however, Ongpin said it was increasingly clear that the banks could not arrive at a consensus."

"While we expected to disagree on certain issues," Ongpin said, "we were confident these could be resolved in good faith. But what we did not expect was a single bank's intransigence could paralyze the entire advisory committee discussion process."

Until last Saturday, Ongpin continued to decline to name that bank, although it was widely believed to be Citibank N.A.

While Citibank is not the head of the New York-based advisory committee, it is the country's biggest creditor-bank with a total exposure of about $1.8 billion.

Ongpin said he met with Citibank chairman John Reed for about one hour and 45 minutes. During that time, Reed elaborated on Citibank's banking philosophy.

Asked by newsmen to comment on what Reed had told him, Ongpin did not want to comment, saying it is not his problem but the problem of big banks with huge exposures to debt-ridden developing countries.

"We were next in line after the Mexican agreement which made things a little more difficult," Ongpin admitted. But the paying capacity of the Philippines is certainly much better than Mexico, he added.

He said many of these big banks expressed apprehension that if they agree to Philippine requests, other debtor-countries would demand similar terms for their burgeoning debts.

He said these banks thus were forced to resist any moves that would tend to indicate that banks were willing to give in just a little bit more.

As far as he was concerned, however, Ongpin said this is the banks' problem and he intends to insist on terms that would be most favorable to the country considering the reforms the new government has undertaken.

As things stand, the Philippine debt rescheduling proposal "is on the table" and the banks have yet to submit a counterproposal.

/9274
CSO: 4200/187

MALAYA HITS ORDERS TO HALT PROBE INTO JAPANESE KICKBACKS

Quezon City ANG PAHAYAGANG MALAYA in English 19 Nov 86 p 4

[Editorial: "Any Secret Deals?"]

[Text]

The Presidential Commission on Good Government has set aside, for unknown reasons, the investigation into alleged kickbacks received by former President Marcos from Japanese firms doing business here. While the PCGG men remain silent over the sudden shelving of the cases, it is worthwhile to note that the decision was taken after they received a public rebuke from President Aquino when she arrived from her four-day state visit to Japan.

Mrs. Aquino vented her ire on the PCGG because she felt that the probers had a distorted sense of timing in holding the hearing on the Marcos-Nippon deals while she was busy wooing Japanese investors, some of whom had figured in the Marcos scandal.

It is understandable that Mrs. Aquino should be upset, but we cannot help regretting that the PCGG should suddenly close the lid on what is considered one of its best-documented cases to pin down Marcos for corruption.

These documents were found in Malacanang after the fall of Marcos, and from the Marcos files brought to Hawaii. They show Marcos's commissions from the Japanese firms were changed into US dollars in Hong Kong, and deposited to Marcos's accounts in Swiss banks.

The papers likewise show that Marcos, through former Public Works Secretary Baltazar Aquino, businessman Andres Genito and the late General Eulogio Balao, got commissions ranging from 10 to 20 per cent from Japanese firms for public works projects funded by the War Reparations, and loans from the World Bank and the Overseas Economic Cooperation Fund.

Only 24 out of 44 documents on the kickbacks were presented before the PCGG during the Nov. 10 hearing, and two other hearings scheduled after that have been postponed. Instead, the PCGG suddenly turned its attention to the Lucio Tan affair, where it has obviously little to build up a case. Why?

While the nation may appreciate Mrs. Aquino's efforts to secure help from the Japanese, the sudden halt to the investigation of the Japanese deals could harm the government's credibility in its drive to investigate the hidden wealth of the Marcoses and their cronies. It may give people the impression that investigations are made on a selective basis.

But worse is the suspicion that during the President's visit to Tokyo, the Japanese firms received quiet assurances that whichever one of them may have been involved in the Marcos case would not be touched.

The President and her government are called upon to show candor and openness to the Filipino people. The alternative is loss of face.

/9274
CSO: 4200/190

CUSTOMS PROBES MISAMIS ORIENTAL ARMS SHIPMENTS

HK261157 Quezon City BUSINESS DAY in English 26 Nov 86 p 26

[Text] Cagayan de Oro City--Local Customs authorities are conducting intensive investigation on alleged armed shipments and smuggling involving town officials in a coastal town southwest of Misamis Oriental.

Customs authorities, who requested anonymity, told the PHILIPPINES NEWS AGENCY that a "motor launch" with "highly suspicious cargo" has made eight landings in the coasts of Misamis Oriental.

Intelligence reports also said that communist guerrillas are reportedly involved in huge arms shipments in an undisclosed coastal town in Misamis Oriental.

Customs authorities did not say whether communist rebels are behind the arms smuggling cases but hinted that some town officials are "probably" involved in the illicit trade.

Customs officials said they have all the information but are withholding the names and places involved until operatives can take judicial action.

Officials said authorities intercepted the seventh landing last month but military operatives arrived late and found the vessel empty. The last landing was early this month.

/9274
CSO: 4200/169

3D QUARTER BUDGET DEFICIT AT 20.3 BILLION PESOS

HK280251 Quezon City BUSINESS DAY in English 27 Nov 86 p 2

[Text] The national government budget deficit as of the end of the third quarter reached P20,327 billion or about 73 percent of the targeted P27.9 billion for the year, according to data from the Ministry of Budget and Management.

Of the three-quarter deficit, about P19,909 million was financed with domestic borrowings and only P418 million was financed through external borrowings, the data showed.

Gross domestic borrowings reached P23,487 million while gross external borrowings were P4,486 million during the nine months.

Domestic financing came mainly from the government's sale of Treasury bills and notes.

Sales of Treasury bills reached P15,582 million while Treasury notes totaled P2,920 million. These accounted for about 79 percent of total gross borrowings of the national government during the period.

Other domestic sources of financing included the Social Security System-Treasury notes (P880 million), Overseas Economic Cooperation Fund-Treasury notes (P1,130 million), provisional advances (P2,785 million) and dollar Treasury notes (P190 million).

Of the gross borrowings of P23,327 million, some P3,578 million was used to pay amortization totaling P2,072 million and a number of non-budgetary accounts totaling P1,506 million.

Of the gross external borrowings of P4,486 million, P4,068 went to amortization of foreign debts.

Foreign sources of gross borrowings included the World Bank (P1,738 million), the Asian Development Bank (P1,413 million), the United States Agency for International Development (P81 million), and a West German Government bank, KFW (P128 million in commodity loan).

The government can rely more on domestic borrowings to finance its budget deficit mainly because of the dearth of domestic loan demand. Monetary authorities have been auctioning off weekly some P4 billion in Treasury bills since last month and has also resumed regular auctions of Treasury notes.

Monetary authorities believe that, in spite of wide criticisms in the previous years that issuances of government securities would crowd out the private sector, such a situation would not happen today because loan demand from the private sector remains anemic.

A monetary official explained to BUSINESS DAY that domestic borrowings by the government were effectively part of efforts to stimulate the economy.

Borrowing from the domestic market through sales of government securities, the government spends the money on projects that will generate employment. This is also why the revised budget program provides for a much larger deficit spending target of 4.5 percent of gross national product compared to less than half of that last year.

/9274
CSO: 4200/169

BRIEFS

BUSCAYNO VISITS ILETO--A former top NPA leader expressed willingness to help in the government's efforts to attain peace in the country. Paying a visit at the office AFP [Armed Forces of the Philippines] Chief of Staff Rafael Ileto [as heard], Bernabe Buscayno, alias Commander Dante, expressed the above-mentioned views to Ileto. Let us listen to the report by Vilma Jospino from the Ministry of National Defense press office. [Begin Jospina recording in English] Bernabe Buscayno, alias Commander Dante, former NPA chieftain, made a courtesy call on Defense Minister Rafael Ileto before noontime on Wednesday, 26 November. Mr Buscayno expressed his desire to cooperate with the ministry in its objective of achieving peace in the country. On the other hand, Minister Ileto thanked Mr Buscayno for his visit for his offer of assistance to bring peace in the nation. Mr Buscayno, who came [words indistinct] and two lady associates, left after 20 minutes. [end recording] [Text] [Manila Radio Veritas in Tagalog 1100 GMT 26 Nov 86 HK] /9738

ILETO SUPPORTS CEASEFIRE--Defense Minister Rafael Ileto said that the cease-fire agreement concluded last Thursday was a sensitive and political experiment by the government that should be given every chance to succeed. During a ceremony at Camp Aguinaldo, Ileto stressed that the Filipino people should not think that the cease-fire would be a failure. [words indistinct] and while this is going on, attention must be paid to ensure progress of the peace process. He also said that it is necessary that military and policy makers should show mutual trust [words indistinct]. [Text] [Quezon City Radyo ng Bayan in Tagalog 1000 GMT 1 Dec 86 HK] /9738

RAMOS SUPPORTS CEASE-FIRE--Armed Forces Chief of Staff General Fidel Ramos said that the cease-fire agreement is one of the many steps taken by the government in the spirit of reconciliation to enhance the gains of the February Revolution. In his speech during the groundbreaking ceremony for the People's Hall of Peace and Freedom at Camp Crame, Ramos said the military will continue its role for peace. Ramos made the announcement one day after a 60-day cease-fire agreement was signed between the government and the rebels. He said the February Revolution [words indistinct]. [Text] [Quezon City Radyo ng Bayan in Tagalog 1000 GMT 28 Nov 86 HK] /9738

'TOP NPA LEADER' SLAIN--One top NPA leader was killed in fighting with the constabulary troops in Barangay Obrero in Cabanatuan City on Monday [24 November] night. The slain rebel was identified as Cesar Dizon, NPA guerrilla district secretary for Nueva Ecija. [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 26 Nov 86 HK] /9738

CPP SAYS 60-DAY CEASE-FIRE 'TOO SHORT'--The underground Communist Party of the Philippines [CPP] says that the 60-day period for the cease-fire agreement signed by the government and the National Democratic Front [NDF] is too short for it to possibly succeed in solving the country's political problems. The CPP says it hoped that there would be [words indistinct] peace between the government and the NDF. [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 1 Dec 86 HK] /9738

PAMPANGA NPA NETWORK--One high ranking military official in Camp Olivas Pampanga said that the NPA has an extensive intelligence network in central Luzon and this is a big problem for the military. Brigadier General Benjamin Cruz, chief of the central Luzon Regional Unified Command admitted that this is the reason why his military assaults have failed in raiding NPA hideouts. General Cruz also revealed that the strength of the NPA in the area under his command increased by 1,500 men, most of them armed. [Text] [Quezon City Radyo ng Bayan in Tagalog 0900 GMT 25 Nov 86 HK] /9738

OIL BOARD APPOINTMENT--President Aquino dismissed former member of parliament Homobono Adaza as board member of the San Miguel Corporation [SMC] and the Philippine National Oil Corporation [PNOC]. General Services Minister Victor Ziga was named to replace him on the PNOC board; his replacement on the SMC board will be announced soon. [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 26 Nov 86 HK] /9738

NON-NPA 'TERRORISTS' ACTIVE IN IFUGAO--Mayor (Sulpicio Paanaw) says that a group of men has been terrorizing residents in Barangay (Pinto), (Mutya), Ifugao Province. Jojo (Lamaria) of Baguio's Radyo ng Bayan has the report: [Begin recording] Thirty scout rangers have been dispatched to Ifugao to try to track down the terrorists, but they have failed to do so thus far. Residents and the military believe the terrorists are not connected with the NPA. Barangay Captain name indistinct] says two incidents have taken place in which terrorists have [words indistinct] but they have still not been apprehended. Mayor (Paanaw) said the group has been terrorizing families in the area, extorting money from them proportionate to their income. [end recording] [Text] [Quezon City Radyo ng Bayan in Tagalog 0400 GMT 3 Dec 86 HK] /9738

ADAZA CRITICIZES NEW DRAFT CONSTITUTION--Former Legislator Homobono Adaza said that the draft constitution has many shortcomings. Some of these shortcomings were revealed to RV [Radio Veritas] Balita [News] by Adaza. [Begin Adaza recording] As to what has been happening to our country these past few years, this thing called unitary system has prevailed so much. The unitary system of government is highly centralized. Everything happens only here in

Manila, and nothing is done in other faraway places such as Mindanao, Cordillera, Cordillera, Northern Luzon, Samar, Leyte, Panay, and Negros. Nothing happens because all that the government does is concentrate only in Manila. Even the appointment of the janitors and their salaries come all the way from Manila. This system is not right. [end Adaza recording] [Text] [Quezon City Radio Veritas in Tagalog 1000 GMT 2 Dec 86 HK] /9738

GUNBATTLE BETWEEN MUSLIM FAMILIES--Manila, 27 Nov (AFP)--At least 30 people were killed and 200 houses torched Thursday in a gunbattle between two feuding Moslem families on a southern Philippine island, the official Philippine News Agency (PNA) reported here. Members of both families traded automatic rifle fire at the town center on Siasi, 960 kilometers (576 miles) south of here, PNA said citing military reports. At least 30 persons were killed and several others wounded, and some 200 houses were set alight in the fighting. Some policemen and government militiamen were reported to be among the casualties. It is not known what caused the feud, the agency said. Military spokesmen here could not immediately confirm the report. [Text] [Hong Kong AFP in English 1241 GMT 27 Nov 86 HK] /9274

NEGOTIATIONS WITH MNLF--On the Mindanao problem, the government will form a negotiating panel to meet with the MNLF some time next year to fix the details for talks to end the 14-year-old secessionist problem in Mindanao. Major General Jose Magno, Jr, said the panel will come from different sectors in Mindanao not identified with the secessionist MNLF, but he declined to give the exact number of members that will compose it. Gen Magno, a former commander of Southern Military Command [Southcom] 6, is head of the government military panel and is President Aquino's special adviser on the peace process. Magno also declined to name the members of the panel. The former Southcom chief said that the government panelists will come from Mindanao and are credible leaders not identified with the MNLF and will speak for the people in Mindanao and will be acceptable to the MNLF. President Aquino is expected to announce soon the date for the meeting of the two panels, which will work and fix details for the formal talks. The forthcoming talks will be the first such formal negotiations between the Aquino government and the MNLF. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 26 Nov 86 HK] /9274

ONGPIN THREATENS CREDIT BANKS--The Philippines is threatening to take drastic action against its creditor banks if the current impasse in the debt restructuring negotiations is not resolved by the end of the year. In an interview with newsmen, Finance Minister Ongpin said that he has sent a proposal to restart the talks with the banks' advisory committee headed by Manufacturers Hanover Trust. Ongpin added that the advisory committee is expected to meet next week to discuss the Philippine proposal, which essentially involves the the $3 billion trade facility which is due to expire by 31 December this year. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 27 Nov 86 HK] /9274

COALITION WITH NDF 'UNACCEPTABLE'--Secretary Benigno, in saying that the substantive phase of the peace talks with the NDF may not succeed, explained that the rebels "have made no pretensions" about their ultimate goal of overthrowing the government by force. Benigno said that after almost 18 years of fighting and sacrificing so many lives, the NDF cannot just agree to a political settlement to lay down their arms. Judging, he said, from his knowledge of contemporary history, no communist movement has laid down arms peacefully. He said the reported proposal for a coalition with the NDF is "unacceptable" because "eventually they (rebels) take over... Anywhere in the world, that has been the case." He also said that Mrs. Aquino specifically avoided meeting NDF negotiators Satur Ocampo, Antonio Zumel, and Carolina Malay Ocampo personally because their organization aims "to topple the government by revolution." Mrs Aquino also did not probably want to upstage her own negotiators who have been meeting with the NDF for months, Benigno added. Asked why the President met with Balweg and Muslim rebel leader Nur Misuari, Benigno said both rebels represent regional groups with limited objectives. [Excerpt] [Manila MANILA BULLETIN in English 2 Dec 86 pp 1, 8 HK] /12624

CHICO DAM PROJECT CANCELLED--President Aquino has cancelled the Chico Dam Project in Kalinga-Apayao. This was announced in a statement yesterday during the last day of the three-day peace congress held in Manabo, Abra. Renegade priest Conrado Balweg, chairman of the Cordillera People's Liberation Army and government emissary Agapito Aquino led peace negotiators during the Congress. In a statement read for the President by Social Services Minister Mita Pardo de Tavera, Mrs. Aquino said the Chico Dam project is considered cancelled subject to the disengagement of a number of commitments made by the Marcos administration. Work on the project was suspended after Presdient Aquino met with Balweg at the Mt. Data Lodge last September 12. [Text] [Quezon City BUSINESS DAY in English 3 Dec 86 p 24 HK] /12624

ARMORED VEHICLES REDEPLOYED--Gen. Fidel V. Ramos, Armed Forces chief of staff, yesterday ordered the immediate deployment to the field of 10 armored vehicles previously detailed at the Ministry of National Defense (MND) security group in Camp Aguinaldo. The armored vehicles, known as V-150s, were turned over to Ramos by Defense Minister Rafael Ileto immediately upon his assumption to the defense ministry last week. The turnover was one of the first moves of the defense chief to "demilitarize" the ministry. Ramos said the armored vehicles were sent back to the Army headquarters at Fort Bonifacio for deployment to the provinces for use in peace keeping and security operations. Immediately after the February revolution, the AFP chief adopted a policy of deploying to the field units armored vehicles, trucks and other vehicles as part of the military's realignment program. In the past regime, the co centration of the troops and military vehicles were mostly in Manila and Malacanang, presumably to protect deposed President Ferdinand E. Marcos, his Cabinet officials and other relatives closed to the past administration. [Text] [Quezon City BUSINESS DAY in English 3 Dec 86 p 24 HK] /12624

MUSLIM DECRIES ENRILE OUSTER--Bangsa Moro [Muslim Nation] Islamic Party Chairman Datu Firdaussi Abbas said only the communists benefitted from the ouster of Defense Minister Juan Ponce Enrile from the cabinet. Abbas also questioned the MNLF's offer to negotiate with the government for a cease-fire, claiming that he has documents showing Misuari's connivance with the NDF [National Democratic Front], CPP [Communist Party of the Philippines], the NPA, and the [?PSDP]. [Begin Abbas recording] The ouster of Minister Enrile actually was the removal of the only fiscal [prosecuting] agency in this country. Because under the present political setup, it is a dictatorship because only Minister Enrile had the permanence and the back-up that would act as fiscalizers to the Aquino government. Now that he is gone and there is no more fiscal agency, it has become worse because the fiscalizing will no longer be in the political arena. I believe that the fiscalization will now be in the revolutionary arena. [end recording] [Text] [Baguio City Mountain Province Broadcasting Company in English 0330 GMT 27 Nov 86 HK] /9274

NEGROS 'PEACE PILGRIMAGE'--Bacolod, Philippines, 26 Nov (AFP)--Some 10,000 people began a three-day "peace pilgrimage" organized by the Catholic Church in the central Philippines Wednesday, the organizers said. The marchers left three towns between 40 and 60 kilometers (24-35 miles) from the city of Bacolod, and were expected to total some 50,000 by the time they reached Bacolod in Negros Occidental Saturday, the organizers said. Bacolod Bishop Antonio Fortich said that the theme of the march was "peace based on justice," which he said was still relevant "because of the continued existence of oppressive conditions in Negros that still lure our brothers and sisters towards the (communist) rebels." Some marchers were carrying banners calling for general land reform, a cause the bishop stressed was important to the church. Negros, the Philippines' sugar bowl, is suffering severe economic problems because of a world slump in sugar prices. [Lext] [Hong Kong AFP in English 1128 GMT 26 Nov 86 HK] /9274

'FASCIST FORCES' IN MILITARY PROTESTED--Some 1,000 demonstrators held a picket at the gate of Camp Aguinaldo along EDSA [Epifanio Delos Santos Avenue] yesterday [2 December] afternoon. The rallyists, who converged in front of the Isetan Department Store along Aurora Boulevard, walked toward the camp at about 3 pm and demanded the ouster of fascist forces within the military. Bearing white flags with the words "Give peace a chance," the rallyists time their rally with the projected visit of President Corazon Aquino to the camp. The demonstrators peacefully dispersed at about 5 pm. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 2 Dec 86 HK] /12624

CSO: 4200/169

SIAM RAT ON LPRP CONGRESS, UPCOMING TALKS

BK180812 Bangkok SIAM RAT in Thai 17 Nov 86 p 8

[Editorial: "Laos Before Meeting With Thailand"]

[Text] The Communist Party of Laos or the Lao People's Revolutionary Party closed its fourth congress last week. This important conclave should give something to the Thai high-level delegation of former Deputy Foreign Minister Arun Phanuphong to add to or erase from the agenda for the meeting during the upcoming visit to Laos, the country of our brothers and sisters on the left bank of the Mekong River.

The LPRP Congress, however, did not bring about any change in the leadership in the party's Political Bureau--the major organ in charge of administration of the country. During the congress Kaysone Phomvihan was re-elected general secretary of the party Central Committee while Nouhak Phoumsavan remains the No 2 leader of Laos.

The congress reportedly worked on internal matters, which had been long overdue, such as the effort to reform Laos' deteriorating economy, which resulted from the serious economic slump now being suffered by its close friend Vietnam. Laos has not succeeded in its attempt to extricate itself from poverty and hardship by turning away from Thailand to Vietnam.

One thing about the LPRP Congress that is worth our consideration is the call made by Prime Minister Kaysone Phomvihan for revival of good relations with Thailand and China. At present, Laos is very anxious to resume full trade with Thailand, the neighboring country that has been supplying commodities both directly and indirectly.

We have noted that the change in Laos' arrogant and aggressive tone toward its non-Indochinese neighbors is in conformity with the changing attitude of the Soviet Union under the reign of Gorbachev, who places diplomatic offensive before military maneuvers. The Soviet Union might be using Laos to test the effectiveness of its new policy in this region before deciding to take further action.

It is unlikely that trade between Thailand and Laos will benefit the people along the border, because all the buying and selling will be carried out by big companies in Bangkok. What Thailand wants most from Laos is a nonaggressive and compromising attitude, so that both countries can settle their mutual problems as Laos always claims that it possesses the right to self-determination and will resolutely defend its own independence without relying on the other Indochinese allies.

We are concerned that Laos might be unable to keep its promises to be made during the meeting with the Thai delegation, since there are as many as 40,000 Vietnamese soldiers in Laos, a small country with a population of a mere 3.6 million. The benefit that Laos will receive from Thailand should never be shared with the other country that is maintaining its military bases in Laos and being condemned worldwide for its military aggression against Cambodia.

/9604
CSO: 4207/54

DAILY SAYS GOVERNMENT LACKS LONG-TERM PLANS

BK221047 Bangkok MATICHON in Thai 21 Nov 86 p 6

[Editorial: "Provisional Government"]

[Text] The visit to Thailand from 18 to 20 November by a 14-man U.S. congressional delegation and the warm welcome accorded to the group by the Thai Government and the Thai private sector did not relieve the tension caused by U.S. trade protectionism. What is more meaningful is a warning by the great ally that Thailand must make efforts to help itself.

Although the Thai Government, which developed from the aristocratic system, is slow to match the swift changes in international trade relations which uphold the principle of maximum profit rather than personal affiliation, it has become tougher in recent years from the bitter experiences it learned from the cruelty of trade protectionism and international competition.

The most valuable lesson it has learned is that the saying that there are not true friends and no permanent enemies does not apply only to politics but also to economic affairs as well. In the present world situation, it would be stupid for Thailand to cling to only one country as a friend. Therefore, instead of relying on the United States alone, Thailand must try to find new markets for its goods. Instead of limiting itself to trading with the free world, Thailand must seek markets in the communist bloc as well.

Although the present government of General Prem Tinsulanon looks like a "provisional" government, it is impossible for it to continue in office for more than 6 years executing its "task force" measures in running the affairs of the country. The government's handling of the Jenkins Bill and the Farm Act reflects its lack of long-term planning and shows it tackles the problems it faces through "task force" measures without any proper assignment to respective government agencies. It is hopeless for Thailand to win in any negotiations as we work with no principle and we tend to ask for mercy rather than confront the other party as an equal.

Governments come and go, either under the name of Field Marshal Plaek Phibunsongkhram or General Prem Tinsulanon, but the fate of the country and the people remains the same. What the country badly needs now is long-term planning to solve existing problems. The problem arising from international trade protectionism is not the only one waiting to be tackled by the government. Other problems such as rice and farmers also must be solved. All provisional governments in the past which ran the affairs of the country [with] a "task force" policy failed to tackle these problems. Worse still, the more measures that are implemented, the poorer the farmers become. Only a few families of exporters have become millionaires.

/9604
CSO: 4207/54

CENTRAL BANK REPORTS PAYMENTS SURPLUS

BK261144 Bangkok Television Service in Thai 1300 GMT 25 Nov 86

[Text] Thailand suffered a trade deficit of 12 billion baht during the first 10 months of this year, a record low compared with the same period last year when the trade deficit was recorded at 53.9 billion baht. The reduction is due to a 19 percent increase in exports which earned Thailand a total of 190 billion baht, while imports remained at 202 billion baht, or a 5 percent reduction. Thailand exported more textile products, tapioca, electric circuits, gem stones, canned fish, and canned seafood. Thailand's imports of oil decreased in value, while imports of food products, beverages, gem stones, and military weapons increased in value. Thailand's service earnings also recorded a big surplus. As a consequence, Thailand's surplus in its balance of payments during the first 10 months of this year is about 5.4 billion baht, compared with a deficit of 39 billion baht during the same period last year.

[Begin recording of Central Bank Spokesman Siri Kancharoendi] This is the first time in many many years that Thailand has recorded such a big surplus in its balance of payments. We have always suffered a deficit in the balance of payments. Now we are in a positive position. Such a recovery can be attributed to several factors, and one of which is the drastic drop in oil prices. It helped us in saving a large amount of foreign currencies. [End recording]

/9604
CSO: 4207/54

DAILY VIEWS NEED FOR DOMESTIC UNEMPLOYMENT PROGRAMS

BK210943 Bangkok THAI RAT in Thai 21 Nov 86 p 3

[Editorial: "Visit of Members of the U.S. House of Representatives"]

[Text] A team of 28 members of a U.S. congressional delegation is visiting Thailand as part of its tour of this region. The team includes Edgar Jenkins, who masterminded the Jenkins bill which is widely regarded as protectionist against textile exports into the United States. This fact-finding visit of the team could serve as a way to learn clearly how U.S. protectionist policy severely affects good U.S. allies, like Thailand, whose textile products will have to face an import quota and other problems if the Jenkins bill is passed into law. The U.S. team's visit should enable Thailand to explain in detail the bill's impact on its unemployment problem. Being a developing country, Thailand already has an unemployment problem, which would be compounded further by tens of thousands if textile workers lose their jobs.

Thailand must also remember that the United States also is seeking to solve its trade deficit problem. Coming from industrial states, these U.S. congressmen must try to protect U.S. interests to ensure their popularity with their constituents and with the unions which represent workers in the industries in their respective states.

If, after having learned the facts, the U.S. Congress persists in passing the Jenkins bill, the Anderson and Young bill, and others which might follow there is nothing Thailand can do but to tackle the problem by itself. It cannot continue to hope to receive sympathy from the other side.

It would not be wise to jump to any conclusions about how much the visit of the current U.S. delegation will help alleviate our problem. It is normal for every country to protect its own interests first. We must help ourselves and make long range plans to tackle the problem by fighting against unfairness and for our interests in the current competing world.

/9604
CSO: 4207/54

FOREIGN MINISTRY OFFICIAL ON HILL 538 CONTROVERSY

BK211251 Bangkok Voice of Free Asia in Thai 1030 GMT 21 Nov 86

[Text] On the issue of Thailand's sovereignty over Hill 538, Sarot Chawanawirat, director general of the Foreign Ministry Information Office in his capacity as Foreign Ministry spokesman, said during a press conference at the Foreign Ministry today:

[Begin recording] First I want to say that what I will say today should not be regarded as a Foreign Ministry statement, but merely as an additional clarification. Next, what I will say today is not to be regarded as a reply to the Heng Samrin regime. Thirdly, I want to inform you that we have the map, which we certify, to substantiate that Hill 538 is definitely in our territory. And the military is ready to safeguard our sovereignty over our territory anywhere, not just on Hill 538.

Concerning the Foreign Ministry, I wish to inform you that the Thai permanent representative to the United Nations has been instructed to call on Fafeeuddin Ahmed, the deputy UN Secretary General and the Secretary General's envoy on humanitarian affairs in Southeast Asia. The Thai permanent representative called on Ahmed on 14 November to inform him of the following:

1. Hill 538 is definitely in Thai territory.

2. He was puzzled by the fact that Vietnam acted as the mouthpiece for the Heng Samrin regime when the CGDK, which is recognized worldwide as the legitimate government of Cambodia, has not uttered a word about the issue.

3. He felt it was a joke that Vietnam, which has been an aggressor and has occupied Cambodian territory, has the audacity to slander another country of committing the same act.

As for our future action, we have thoroughly considered this issue and I hope that you will understand that we cannot disclose it at this time. I assure you that the military and the diplomatic sectors are ready to deal with the issue. [end recording]

/9604
CSO: 4207/54

REGION COMMANDER PROMISES TO REPEL 'INTRUDERS'

BK231025 Bangkok THAI RAT in Thai 22 Nov 86 pp 2, 3

[Text] First Army Region Commander Lieutenant General Watthanachai Wutthisiri granted an interview at the First Army Region yesterday on border policy. He said there has been no change in border policy in his region. Soldiers will not tolerate intruders but rather push them out. Asked whether the refugees at the border would be used as an excuse for attacks from the other side, Lt Gen Watthanachai emphasized that his soldiers will push out any intruders. He assured the people of the Burapha Force's ability to protect the border.

Asked whether he anticipated any violent attacks in the coming dry season, Lt Gen Watthanachai said he cannot read others' minds, but said if they are violent, we will reply violently. Anyway, we will remain on our border. Concerning the report of troop movements on the other side of the border, the commander of the First Army Region said his command is always following up developments. Its major duty is to prevent border intrusions. He said that as the border situation is calm at present, his soldiers are trying to expand the border development for self-defense program to cover more areas. Anyway, he said quality rather than quantity will be emphasized. Lt Gen Watthanachai said finally that he would like to assure the border people that they can rely on the Burapha Force.

/9604
CSO: 4207/54

VOFA LISTS SRV VIOLATIONS OF THAI BORDER

BK230849 Bangkok Voice of Free Asia in Thai 1030 GMT 21 Nov 86

[Text] The following is a special report summing up Vietnam's violations of Thailand's sovereignty from 8 October to 5 November.

From 8 to 11 October, Vietnamese soldiers fired seven 120-mm mortar rounds into Ban Thung Khlong Khwang, Khao Khwaen, and Ban Saphan Hin, in Muang District, Trat Province.

From 9 to 15 October, Vietnamese soldiers crossed the border into Thailand and seized Hill 538 in Ban Kruat District, Buriram Province. Vietnam laid down supporting fire from Cambodia using heavy weapons in a bid to repulse efforts by Thai soldiers to push the intruders out. As a result, 10 Thai ranger volunteers were wounded.

On 20 October, Vietnamese soldiers fired four 75-mm recoilless rifle rounds into Ban Non Sung, Ta Phraya District, Prachin Buri Province.

On 22 October, Vietnamese soldiers fired five 82-mm recoilless rifle rounds into Ban Klong Yai, Khao Pit, Pong Nam Ron District, Chanthaburi Province.

On 29 October, Vietnamese soldiers fired 11 rounds of 75-mm and 82-mm recoilless rifles into Khao Pit, Ban Marum, and Ban Khlong Yai, in Pong Nam Ron District, Chanthaburi Province. They also fired several 82-mm and 120-mm mortar rounds into Ban Saphan Hin, Muang District, Trat Province.

At 1830 on 31 October, a number of Vietnamese soldiers crossed the border into Thailand and fired for 1 hour and 45 minutes at the marine rangers' checkpoint in Ban Chamrak, Muang District, Trat Province.

On 1 November, Vietnamese soldiers fired 50 rounds of various types of mortar into Khao Khwaen, Muang District, Trat Province.

On 3 November at 2015, a number of Vietnamese soldiers crossed the border into Ban Chamrak, Muang District, Trat Province and fired for 2 hours on the marine rangers' base there.

On 5 November, Vietnamese soldiers fired 12 rounds of 120-mm mortar into Khao Tham Champa, in Pong Namron District, Chanthaburi Province.

/9604
CSO: 4207/54

AIR FORCE SECRETARY REPORTS OCT-NOV RADAR FINDINGS

BK240812 Bangkok Domestic Service in Thai 1300 GMT 23 Nov 86

[Text] The Air Force conducts regular tactical air patrols along the Thai-Cambodian border to be able to provide timely support for ground forces in event of a hostile situation. Air Force Secretary Air Vice Marshal Sommot Suntharawet says:

[Begin Sommot recording] The Air Force arranged operations in support of ground forces and other government agencies. In the October-November period, Air Force radar detected 19 MiG-21 targets around the Vientiane airport. These targets were assessed to be participating in flight training exercises and, therefore, no Air Force planes were sent up to patrol in October. At 1036 on 10 November, Air Force radar detected an unidentified target approaching Thailand and Thai F-5's were sent to intercept it. But the Air Force learned later from the Aeronautical Radio of Thailand that there were errors in the plane's flight plan and called its interceptors back. The unidentified plane was a TU-134-A.

On 18 November, Air Force radar detected a target flying at 120 knots at altitude of 6,000 feet toward Thailand. Knowing that it was a slow flying and light plane, the Air Force only monitored and did not try to intercept it. It was probably a (?TU-17) skywagon. It flew to about 4 km from the border and turned back, showing no hostility. [end recording]

/9604
CSO: 4207/54

BRIEFS

OUTGOING AUSTRALIAN AMBASSADOR--On 17 November, Crown Prince Wachiralongkon granted an audience to Christopher Lamb, Australian ambassador to Thailand, who bid farewell to the crown prince upon completion of his assignment in Thailand. [Summary] [Bangkok Domestic Service in Thai 1300 GMT 17 Nov 86] /9604

NEW NEPALESE AMBASSADOR--The Thai Government has given approval to the Nepalese Government's appointment of Ramchandra Bahadur Singh as its ambassador extraordinary and plenipotentiary of the Kingdom of Nepal to Thailand replacing Gyanendra Prasad Pandey. [Text] [Bangkok Voice of Free Asia in Thai 1030 GMT 21 Nov 86] /9604

NEW DEPUTY INTERIOR MINISTER--Royal Signature: Phumiphon Adunyadet, Rex. His Majesty King Phumiphon Adunyadet has ordered that it be announced that whereas his appointment of General Prem Tinsulanon as prime minister, per announcement dated 5 August 1986, and the latest appointment of cabinet minister dated 6 November 1986, the post of deputy interior minister is now vacant. He is of the opinion that Sawai Phatthano is suitable for the post of deputy interior minister. Empowered by Article 146 of the Constitution, he appoints Sawai Phatthano as deputy interior minister effective immediately. Announced on 26 November 1986, being the 41st year under reign of the present king. Countersigned by Gen Prem Tinsulanon, prime minister. [Text] [Bangkok Domestic Service in Thai 1300 GMT 27 Nov 86] /9604

PRC LIGHT INDUSTRY MINISTER--Deputy Prime Minister Major General Chatchai Chunhawan received visiting PRC Light Industry Minister Yang Bo and his party this morning at Government House. They discussed cooperation in investment, trade, technology exchange, and tourism and other areas of Thai-PRC relations. The Thai deputy prime minister informed the visitors that Chinese purchases of Thai rice and sugar had alleviated Thailand's problems in that area--for which Thailand is grateful. [Text] [Bangkok Television Service in Thai 1300 GMT 26 Nov 86] /9604

PRC TO BUY RICE, BEANS--According to a report sent from Beijing today, Thai Foreign Minister, Air Chief Marshal Sitthi Sawetsila, who is currently in China, won an order from China for import of 30,000 tons of glutinous

rice and 20,000 tons of mung beans, worth a total of 300 million baht from Thailand. An affiliated company of Charoen Phokkhaphan Group also held talks with Chinese Vice Premier Tian Jiyun on setting up of an animal feed factory. The Chinese vice premier agreed in principle on the project, but more talks will be held on the details. The factory may possibly be constructed in Hunan Province. Foreign Minister Air Chief Marshal Sitthi Sawetsila's team will return to Thailand at 2200 tonight. [Text] [Bangkok Television Service in Thai 1300 GMT 25 Nov 86] /9604

COMOROS TO PURCHASE RICE--Comoros Minister of Trade and Foreign Affairs Said Kafe is currently on a 4-day visit to Thailand for trade talks. He met with Commerce Minister Montri Phongphanit this afternoon, and indicated his country's desire to import 27,000 tons of rice, 1,000 tons of fragrant rice, and 26,000 tons of ordinary rice on the government-to-government basis. Comoros last year, for the first time, imported rice from Thailand. [Begin Montri recording] Comoros earlier imported rice from Pakistan; last year, it imported two shipments of 13,000 tons of rice from Thailand. Comoros wants to do the same thing again this year, that is, it has ordered two shipments of Thai rice at the amount of 13,000 tons each. We have agreed in principle, but we will meet again the day after tomorrow for discussion on the details of the deal. [end recording] [Text] [Bangkok Television Service in Thai 1300 GMT 25 Nov 86] /9604

CSO: 4207/54

CONFERENCE ON VIETNAM-LAOS BORDER PROVINCES HELD

BK260958 Hanoi Domestic Service in Vietnamese 2300 GMT 25 Nov 86

[Text] A conference on the border situation between the central and southern Lao provinces and central Vietnamese provinces was held recently in Hue City, Binh Tri Thien. Participating in the conference on the Lao side were the delegation of the central border committee and the delegation of the six central and southern Lao provinces: Bolikhamsai, Xieng Khouang, Savannakhet, Khammouane, Sedone, and Attopeu; and on the Vietnamese side were the delegation of the central border committee and the delegation of Nghe Tinh, Binh Tri Thien, Quang Nam-Danang, and Gia Lai-Cong Tum Provinces.

In the spirit of solidarity, cooperation, and special friendship, the conference discussed plans for the implementation of the contents of the documents of the eighth meeting of the joint Vietnam-Laos committee held in Vientiane on 21 June 1986. It also unanimously endorsed a plan for the inspection of the situation along the entire border and repair or replacement of a number of damaged border posts. The two delegations of the provinces with common border reached and signed an agreement with specific documents.

On the basis of the Vietnam-Laos border that had officially been delineated by a treaty and marked by a network of standard border posts, the conference on the border issue between the central and southern Lao provinces and central Vietnamese provinces this time has helped to build and preserve the Vietnam-Laos border so that it will remain always the border of solidarity, friendship, and cooperation between the two peoples for the cause of national construction and defense in each country and for the sake of peace and stability in Southeast Asia and the world as a whole.

/9604
CSO: 4209/148

PHAM VAN DONG GREETS 12TH WFDY CONGRESS

BK240615 Hanoi Domestic Service in Vietnamese 1430 GMT 23 Nov 86

[SRV Council of Ministers Chairman Pham Van Dong's 23 November message of greetings to 12th WFDY Congress]

[Text] On behalf of the government and people of the SRV and in my own name, I extend to the 12th Congress of the WFDY my warmest greetings and, through the congress, to all democratic, progressive, and peace-loving youths in the world the sentiments of close solidarity and friendship of Vietnamese youths and people. Developing its glorious traditions, the WFDY has, over the past 40 years and more, struggled untiringly for the lofty ideals of our times. Through each period of history and after every congress, progressive mankind throughout the five continents have witnessed your great efforts and achievements in rallying and motivating youths throughout the world to struggle for peace and the security of nations, for national independence, democracy, and social progress, and for a bright future of the youths.

Your 12th Congress is held at a time when the world situation continues to remain tense and develops in a complicated manner. U.S.-led imperialism still stubbornly pursues the policy of intensifying the arms race, thus creating the danger of a nuclear war and pushing mankind to the brink of a nuclear holocaust. This situation calls for even greater efforts by the world movement of democratic and progressive youths, of which the WFDY is the core, to make a worthy contribution to the common struggle for the defense of world peace.

I am convinced that with creative and dynamic efforts and with the ardor of youth, you will be able to score yet greater successes in carrying out your lofty mission.

May I avail myself of this occasion to sincerely thank the WFDY and the world movement of democratic and progressive youths for having enthusiastically supported the Vietnamese people's undertaking to build and defend the fatherland.

May the 12th WFDY Congress be crowned with splendid success.

/9604
CSO: 4209/148

NHAN DAN EDITORIAL ON PRODUCTION OF EXPORTS

BK280559 Hanoi Domestic Service in Vietnamese 2300 GMT 27 Nov 86

[NHAN DAN 28 November editorial: "Develop the Production of Export Goods"]

[Text] In the first 9 months of this year, we have fairly achieved the production plan norms for some of our export goods, especially the agricultural products. Many localities and primary production installations have strived to exploit all local potentials in terms of labor, land, capital, technology, trades, and jobs, and have established and further expanded the areas of raw materials in order to accelerate the production of export goods.

Many factories, agricultural cooperatives, and handicrafts and artisan industry units are dynamic and creative even in moments of shortages of energy and raw materials. They have still turned out many export goods, have delivered sufficient products to the state, and helped fulfill satisfactorily the economic agreements with foreign countries. These are good experiences to be developed.

On the basis of renovating some policies to ensure autonomy in production and business for primary economic installations, many sectors and localities through direct or delegated import-export operations have imported considerable amounts of goods. This has had a positive impact on production, especially the production of agricultural and consumer goods, contributed to gradually stabilizing the people's livelihood, and enabled the construction of some additional material and technical bases, thereby creating a larger source of exports. Some of the new exports, though small in number, have opened prospects for the coming years.

However, the production of exports is still rife with difficulties and weaknesses and has yielded low economic results. This situation should be overcome positively. Whether the task of stabilizing and developing the economy in the initial stage as well as the scientific and technical development and socialist industrialization of our country can be carried out quickly or slowly, it all depends considerably on the development of the production of exports in order to increase imports with increasingly high economic results.

Combining the national strength with the strength of the era in building the country, our people must strenuously engage in productive labor, make full use of all economic elements and production sectors--including heavy and national defense industries--and of all potentials in any form, on all scales, and at all technical levels in order to turn out more exports every day. The economy of our country must join the relations of international labor division, first and mainly expand the relations of comprehensive cooperation and labor division with the Soviet Union, Laos, and Cambodia, and with other countries in the socialist community. At the same time, we must develop the economic relations with other countries in the world.

Developing the production of exports is of strategic significance to the economy, along with the production of grain, food products, and consumer goods which are the targeted projects of our party, state, and people in the coming years. Among all the economic tasks of our foreign trade, the most important one is to vigorously step up export in order to meet the requirements of import. In the export structure, the agricultural, forestry, and fishery products occupy the most important position. The problem is that we must quickly increase the quantity and quality of export products and raise the processing standards along with striving to lower production costs.

The task of developing the production of exports requires specific and accurate calculation of economic results, especially concerning the collection of foreign exchange on each type of goods in order to select the most profitable exports and to devise the best ways of managing production. Producing poor quality exports or producing them at any cost will cause great losses to the national economy.

We must resolutely eliminate the system of bureaucratic centralism and subsidization in the production of exports, and must shift to socialist accounting and business. It is really irrational that foreign exchange collected from the export of processed agricultural products is not equal and at times even much less than the amount of foreign exchange obtained from exporting these products in raw forms.

In order to vigorously accelerate the production of exports, there should be a uniform investment plan, ranging from the supply of energy and raw materials to the processing, preservation, and shipment, and attention should be paid to the infrastructure that supports the production, while we organize production and circulation rationally and renovate the management system. The policies of correct leverage which conform with the laws of respecting workers' interests will bear the effect of promoting the export production program.

It is really irrational to fix the production costs in the cottage industry of exports which are not enough to cover the expenses of workers when a foreign trade company fails to keep its commitment causing heavy losses to peasants and refuses to pay indemnities and when producers of exports

gain less profits than those who produce the same types of goods for domestic use. It is time that each worker, each primary unit engaged in the production of exports, each echelon, and each sector should realize scrupulously their responsibility for fulfilling their pledges to foreign countries by correctly implementing the export contracts in terms of quantity, quality, and time of delivery. No matter how many difficulties and obstacles, we must achieve these pledges in order to restore and enhance the prestige of our country and people in the economic relations with foreign countries.

Developing the production of exports is an important program for arranging jobs for workers. We must develop all latent potentials to create large export quotas in order to meet the import demands, contribute to gradually stabilizing and developing the economy and stabilizing the people's livelihood, and create premises for socialist industrialization.

/9604
CSO: 4209/148

BRIEFS

DECISION SIGNED HONORING EMULATORS--Various papers frontpage a report saying that on 25 November the chairman of the Council of Ministers signed a decision bestowing the title "National Outstanding Emulator" on 111 individuals for their outstanding achievements in labor, official work, and national defense duties performed under the 1981-1985 plan. The honored outstanding emulators were personnel of the engineering and metals, electric power, building, light industry, food industry, posts and telegraph, communications and transportation, small industry and handicraft, aquatic products, agricultural, forestry, water conservancy, circulation and distribution, education and training, cultural, public health, war invalids and social welfare, and people's control sectors. [Text] [Hanoi Domestic Service in Vietnamese 1000 GMT 26 Nov 86] /9604

CSO: 4209/148

DEFENSE MINISTRY HOLDS ECONOMIC CONFERENCE

BK250458 Hanoi Domestic Service in Vietnamese 1400 GMT 24 Nov 86

[Text] The Ministry of National Defense held a conference 17-22 November to study Resolution No 306 and Decree No 76 of the Council of Ministers on guaranteeing the basic economic units' right to autonomy in production and business. Attending the conference were deputy commanders in charge of economic construction of the various military regions, armed branches and services, army corps, and general departments; and leading cadres from various economic organs throughout the army.

After hearing an introduction to the fundamental contents and concepts of Resolution No 306 and Decree No 76, reports by functional organs of the Ministry of National Defense, and draft projects for planning work, material supply, labor organization, wages, and the right to financial autonomy, the conference concentrated on discussing and clarifying the difficulties that need to be solved so as to carry out successfully the Political Bureau's resolution at an early date. First of all, it is necessary to define clearly as to which units of the army are responsible for carrying out Resolution No 306 and, on this basis, to organize quickly a managerial and supervisory apparatus. National defense enterprises and units specializing in economic construction must clearly define their production tasks and the scale thereof. Regarding the supply of production materials, an appropriate organizational mechanism is needed to ensure that materials are promptly supplied according to plan to meet the requirements of production and reduce the difficulties and inconveniences encountered by production units at the grassroots level. In particular, planning work must be closely guided by the ministry and the echelon higher than the grassroots so as to guarantee the stability of the annual and 5-year production plans for every unit.

Another pressing requirement is the need to guarantee the right to mastery in production of workers and state employees and to care for the material and spiritual life of their families. The ministry, the echelon higher than the grassroots level, and every basic unit must adopt specific and realistic plans, norms, and measures for meeting this requirement. The issue concerning the fixing of prices and economic arbitration organs must also be resolved at an early date so as to create conditions for harmoniously developing production according to plan.

/9604
CSO: 4209/148

GRAIN CONTROL POLICY IMPLEMENTED IN 6 PROVINCES

BK190547 Hanoi Domestic Service in Vietnamese 1100 GMT 18 Nov 86

[Text] Implementing the policy of controlling the use of grain in the whole sector, the grain services of Haiphong, Ha Nam Ninh, Ha Son Binh, Vinh Phu, Quang Ninh, and Binh Tri Thien Provinces have changed the grain ration book, along with checking over the number of grain recipients and the amounts of grain authorized to serve as a basis on which to establish selling plans and, at the same time, reduce the cases of issuing grain to using units against the policy.

In Haiphong Municipality, the first combined report shows that nine district and precinct grain offices have eliminated nearly 2,000 persons who used to draw grain against the prescribed norms. They have also saved nearly 45 metric tons of grain from not having to sell rationed grain to civil servants and workers, have transferred monthly nearly 9 tons of grain from ration department to commercial sale department involving 800 cases of distribution to unauthorized recipients, and have detected nearly 2,000 cases of issuing grain over the prescribed norms, thus saving each month 6 metric tons of grain. To sum up, Haiphong has eliminated 8,560 persons drawing more grain than authorized, involving the amount of 167,435 kg, thus recovering each month 100 metric tons of grain for the state.

The grain service of Ha Nam Ninh Province has eliminated 3,405 persons drawing more grain than authorized, involving the amount of 71,481 kg, and has thus recovered 205.2 tons of grain each month.

The grain service of Ha Son Binh Province conducted an inspection of some using units such as the Song Da hydroelectric plant construction site, the tunnel digging company, the grinding and screening company, and the machinery assembling company No 10, and has recovered 48 metric tons of grain.

The grain service of Vinh Phu Province has also recovered 53.6 metric tons of grain from those who were drawing more grain than authorized.

The grain service of Quang Ninh Province has recovered 41.6 tons.

In Hue City of Binh Tri Thien Province, some 1,041 persons drawing more grain than authorized have been eliminated from the rations list, thus recovering 10.2 metric tons.

Through the first stage of grain control, these six provinces have cut down grain rations of 13,030 persons drawing more grain than authorized, recovering more than 534 metric tons of grain for the state.

/9604
CSO: 4209/148

BRIEFS

THAI BINH ECONOMIC ZONES--Thai Binh Province over the past 10 months has sent 1,250 families totaling 3,500 persons to build new economic zones in various localities. The province party committee and administration are reviewing tasks to design measures to overcome shortcomings. They are striving to send 4,400 additional persons to build new economic zones in Gia Lai-Cong Tum and Dac Lac Provinces. The province has also formulated plans to provide more aid to resettlers. Those who leave for new economic zones will each be given 30 kg of rice, some pocket money, equipment, and medicine. Those party cadres and members as well as public health and education officials who accompany the resettlers will receive their per diem and an incentive of 1,000 dong each. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 20 Nov 86] /9604

HA SON BINH RESETTLERS--As of the third quarter, Phu Xuyen District, Ha Son Binh Province, had sent 193 families of 781 persons to build new economic zones in Lam Dong Province. In November the province will send 43 additional families to other localities. The province provided each worker with 60 kg of rice and each of their dependents 40 kg. It also provided seeds and foodstuffs for 3 months consumption to these resettlers. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 20 Nov 86] /9604

POLISH DELEGATION VISITS--At the invitation of the Ministry of Forestry, a delegation of the Polish People's Republic led by Comrade Deputy Minister Skowerski visited Vietnam from 11-19 November. [Text] [Hanoi Domestic Service in Vietnamese 1000 GMT 25 Nov 86] /9604

PHILIPPINE CIVIL AVIATION DELEGATION--With a view to consolidating and developing relations in civil aviation between the Philippines and Vietnam, on 24 November a Philippine civil aviation delegation led by its president, (Santos), arrived in Ho Chi Minh City and was welcomed by Do Huu Nghia, deputy chief of the general department of Vietnam Civil Aviation. During its stay in the city the delegation was cordially received by Le Quang Khanh, vice chairman of the city people's committee. [Summary] [Hanoi Domestic Service in Vietnamese 0500 GMT 27 Nov 86] /9604

CSO: 4209/148

AGRICULTURAL ACTIVITIES REVIEW FOR 10-DAY PERIOD

OW250125 Hanoi Domestic Service in Vietnamese 1100 GMT 20 Nov 86

[Text] Here are some noteworthy features of agricultural production nationwide over the past 10 days:

To date, the whole country has harvested 907,000 hectares of 10th-month rice, or 62 percent of the planted acreage, including 772,000 hectares in northern provinces, at a pace 38 percent faster than in the same period last year, but still low vis-a-vis the ripening rate. According to initial reports, a number of localities have failed to reach the rice yield target.

The 10th-month rice crop has been developing fairly well in southern localities, where 8.4 percent of the planted acreage has been harvested at a pace 14.5 percent faster than last year.

Some 70,000 hectares of 10th-month rice in southern Vietnam are currently infested with harmful insects, but the infestation rate is low due to localities' active efforts to prevent and eradicate crop pests.

Localities have quickly prepared the soil after finishing winter-spring rice harvesting. To date, the whole country has plowed 565,000 hectares, an increase of 17 percent over the acreage plowed last year. Southern provinces have plowed 347,000 hectares, while northern provinces have plowed 218,000 hectares, an increase of 64 percent over the acreage plowed in the same period last year.

Northern provinces have sown 20,300 hectares of rice seeds, whereas southern provinces have transplanted 144,000 hectares of winter-spring rice, or 19.5 percent of the planned acreage, at a pace 11.2 percent faster than in the same period last year. A number of southern provinces have been fast in rice transplanting, including Long An and Cuu Long, which have transplanted 55 percent of the planned acreage, and Tien Giang and Kien Giang, 50 and 45 percent respectively of the planned acreages.

In northern Vietnam, although the weather has been favorable for sowing and soil preparation, only one-third of the harvested acreage has been plowed. In fact, Ha Bac has harvested nearly 60 percent of the planted acreage, but has plowed only 20 percent of the harvested acreage. Meanwhile, Ha Nam Ninh has harvested 50 percent of the planted acreage, but has plowed only 15 percent of the harvested acreage.

The seasonal period for sowing fifth-month rice seeds has ended. Localities are currently preparing to sow spring rice seeds, beginning 25 November.

The cultivation season for winter vegetables and subsidiary crops has also ended. By 15 November, the whole country had planted 196,000 hectares of food and subsidiary crops, including 171,000 hectares in northern localities, which had achieved an increase of 35.6 percent over the acreage planted last year, but had failed to fulfill the cultivation plan norms.

In particular, only 61.4 percent of the planned tobacco acreage had been planted, while 485,000 hectares of vegetables and beans had been planted, an increase of 11.2 percent over the acreage planted in the same period last year.

Localities are currently tending winter crops and striving to complete cultivation of potatoes and vegetables of various kinds.

In the 10 days ahead, localities should concentrate on quickly completing the 10th-month rice harvest in November, while celebrating soil preparation. As the rainy season has ended early, southern localities should concentrate on protecting the late 10th-month rice crop from drought. They should also promptly ensure sufficient gasoline and oil for agricultural machines in support of production. Meanwhile, northern localities should provide close guidance in sowing correct varieties of rice seeds in the entire acreage. As for waterlogged localities, it is necessary to change seed varieties and ensure sufficient good rice seeds and seedlings for the entire acreage.

Localities should apply effective measures to prevent and combat epizootic diseases and the cold weather for domestic animals and birds, while taking good care of draught buffaloes and cattle, to ensure quick soil preparation and create favorable conditions for planting winter-spring rice on schedule.

/9604
CSO: 4209/148

END